



FEED ^{THE} FUTURE

The U.S. Government's Global Hunger & Food Security Initiative



AGRIBUSINESS AND MARKET DEVELOPMENT QUARTERLY REPORT

JULY 1, 2015 – SEPTEMBER 30, 2015



USAID | **ETHIOPIA**
FROM THE AMERICAN PEOPLE

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List of Acronyms

AAIFP	Alliance for Africa for Improved Food Processing
AFCA	African Fine Coffees Association
AGP-AMDe	Agricultural Growth Program-Agribusiness and Market Development
AGP-LMD	Agricultural Growth Program-Livestock Market Development
AMSAP	Advance Maize Seed Adoption Program
ARARI	Amhara Region Agricultural Research Institute
ARC	Agricultural Research Center
ATA	Agricultural Transformation Agency
B2B	Business to Business
BA	Barrier Analysis
BCC	Behavior Change and Communication
BDS	Business Development Services
BoARD	Bureau of Agriculture and Rural Development
CAADP	Comprehensive African Agricultural Development Program
CBE	Commercial Bank of Ethiopia
CBO	Cooperative Bank of Oromia
CIG	Common Interest Groups
CPA	Cooperative Promotion Agency
CQI	Coffee Quality Institute
CSA	Central Statistics Authority
DA	Development Agent
DCA	Development Credit Authority
DRRW	Durable Rust Resistance in Wheat
EAB	Ethiopian Apiculture Board
EAGC	East African Grain Council
EBA	Ethiopian Beekeepers Association
ECEA	Ethiopia Coffee Export Association
ECEI	Ethiopian Coffee Export Initiative
ECGPEA	Ethiopian Coffee Growers, Producers and Exporters Association
ECX	Ethiopian Commodity Exchange
EFC	Ethiopian Fine Coffees
EHBPFA	Ethiopian Honey and Beeswax Producers and Exporters Association
EIAR	Ethiopian Institute of Agricultural Research
EMA	Ethiopian Millers Association
ENGINE	Empowering New Generations to Improve Nutrition and Economic Opportunities
EPOSPEA	Ethiopian Pulses, Oil Seeds and Spices Processors and Exporters Association
ESE	Ethiopian Seed Enterprise
FCA	Federal Cooperative Agency
FCUs	Farmer Cooperative Unions
FMHACA	Food, Medicine and Health Care Administration Control Authority
FOG	Fixed Obligation Grant
FtF	Feed the Future
GAP	Good Agricultural Practices
GAIN	Global Alliance for Improved Nutrition
GoE	Government of Ethiopia
GRAD	Graduation with Resilience to Achieve Sustainable Development
GTP	Growth Transformation Plan
HEA	Home Economic Agent

HEW	Health Extension Workers
HRC	Holeta Research Center
ICT	Information, Communication Technology
JARC	Jimma Agricultural Research Center
JRIS	Joint Review and Implementation Support
KFBPMFCU	Kaffa Forest Bees Product Marketing Farmers Cooperatives Union
KHSPSC	Tigray-based Sesame FCU
MFIs	Micro Finance Institutions
MoA	Ministry of Agriculture
MoFED	Ministry of Finance and Economic Development
MoT	Ministry of Trade
MOU	Memorandum of Understanding
MSP	Multi-Stakeholders Platform
MT	Metric Tons
NBE	National Bank of Ethiopia
NCA	National Coffee Association
NGO	Non-Governmental Organization
OARD	Office of Agriculture and Rural Development
P4P	Purchase for Progress
PCs	Primary Cooperatives
PEPFAR	President's Emergency Plan for AIDS Relief
PERSUAP	Pesticide Evaluation Report and Safer Use Action Plan
PHH	Post-Harvest Handling
PLC	Private Limited Company
PMP	Performance Monitoring Plan
PRIME	Pastoralist Areas Resilience Improvement and Market Expansion
RCA	Regional Cooperative Agency
SACCO	Saving and Credit Cooperative
SCAA	Specialty Coffee Association of America
SHF	Smallholder Farmer
SMEs	Small and Medium Enterprises
SMFM	Sell More for More
SNNPR	Southern Nation Nationality and Peoples Region
SSRWE	Sustainable Support for Rural Women Entrepreneurs
TARI	Tigray Agricultural Research Institute
TMF	Tigray Multipurpose Marketing Federation Cooperatives
ToH	Taste of Harvest
ToT	Training of Trainers
USAID	United States Agency for International Development
USD	United States Dollar
USG	Urea Supper Granules
VC	Value Chain
WFP	World Food Program

Executive Summary

Feed the Future AGP-Agribusiness Market Development is a flagship project of USAID's strategy for Ethiopia and is the US Government's largest contribution to the Ethiopian Government's Agricultural Growth Program (AGP), which supports the Comprehensive African Agricultural Development Program (CAADP) framework by strengthening agricultural productivity and markets in the four high rainfall regions of Amhara, Oromia, Southern Nations, Nationalities, and People's Region (SNNPR) and Tigray.

In line with the overall objectives of AGP and the Agricultural Transformation Agency (ATA) national strategies, AGP-AMDe sustainably reduces poverty and hunger by improving the productivity and competitiveness of value chains that offer jobs and income opportunities for rural households. This report covers the first three months of the Fiscal Year 2016 of project implementation between July 1 and September 30, 2015.

Component I: Improving Value Chain Competitiveness

Maize Value Chain

Before addressing the African Union in July 2015, US President Barrack Obama met several beneficiaries of US government development strategies and spoke to the press about Feed the Future. Obama met with Ethiopian farmer Gifti Jemal Hussein, who began growing maize with hybrid seeds in 2012 under AGP-AMDe's Advance Maize Seed Adoption Program (AMSAP), which is in partnership with US firm Dupont-Pioneer to increase maize yields and farmer incomes.



"With just a few smart interventions, a little bit of help, they can make huge improvements in their overall yields," Obama said. The U.S. is historically the largest donor to Ethiopia, but Obama said the project's goal is to work more intelligently in food systems, and not just to pour in more money. "We are also able to create new markets by adding food processing alongside production."

Hussein was recruited as part of the first group of 320 farmers who received Pioneer hybrid maize seeds, fertilizer and training. She and the others will eventually become certified seed dealers as the program scales up seed demonstrations and awareness campaigns to reach more than 30,000 farmers before the end of 2016. After the first season, Hussein saw her maize yields more than double, and participating farmers averaged 7 metric tons per hectare compared to a typical yield of 2.5 metric tons per hectare in Ethiopia. Higher yields translate to more income, and stronger participating in the value chain, from processor to input supplier.

A delegation of U. S. Senators and government representatives visited DuPont Pioneer's seed conditioning plant and warehouse, located outside of Addis Ababa, as part of a visit to key USAID program partners and sites in Ethiopia. The DuPont Pioneer-USAID partnership exemplifies a public-

private partnership with the US private sector as envisioned by President Obama under the Feed the Future initiative. DuPont Pioneer invested more than \$5 million in seed multiplication, awareness campaigns, seed demonstrations and the processing plant. On the site visit, Senators Chris Coons and Jeff Merkley, as well as the Vice President of the Overseas Private Investment Corporation, Judith Pryor, and USAID Ethiopia Mission Director, Dennis Weller, heard from DuPont Pioneer staff, seed dealers and farmers about their experience using hybrid maize seeds. In 2013, when DuPont Pioneer and USAID inaugurated the seed-conditioning plant and launched AMSAP, the company sold 4000 MT of hybrid seed and then nearly doubled sales in 2014. This year, the company sold out of its stock of 6000 MT of seed and expects the volume of seed sales to reach 10,000 MT in 2016.

Coffee Value Chain

In Milan, Italy, the Ethiopian delegation, led by Yacob Yala, Minister of Trade, presented plans for the 4th World Coffee Conference taking place in Addis Ababa on 6-8 March 2016. The State Minister was accompanied by Hussein Agraw, President of the Ethiopian Coffee Exporters Association (ECEA), Abdullah Bagershi, Chairman of the African Fine Coffees Association and Tadele Abra, ECEA Board Member and owner of one of the largest coffee plantations in Ethiopia. AGP-AMDe is providing technical support to the Ministry of Trade and coffee exporters association for the hosting the conference.

AGP-AMDe finished the registration of 44 of the targeted 50 coffee exporters who own warehouses and processing facilities to be included in the ECX traceability system, and held two rounds of traceability orientation in collaboration with ECX and ECEA for 88 (14 women) exporters and suppliers.

AGP-AMDe facilitated the sales of over 1 million new coffee seedlings in Oromia & SNNP regions and provided training for over 700 primary cooperative leaders, staff and smallholder farmers on leadership, record keeping, business planning and marketing as well as the Sell More For More cascade training. AMDe distributed 60,000 leaflets and 18,000 posters printed in the Afan-Oromo language through four primary cooperatives in Oromia.



AMDe supported Coffee Quality Institute in its Q-Certification training of six assistant instructors, 18 new students and 14 re-certification students.

Sesame Value Chain

During this quarter, sesame partners reported a stock of 2130 MT of sesame worth \$3,147,000 USD, as they continue to wait for better prices. Sesame value chain partners exported 1254 MT worth

\$1,793,600 USD. Selam and Metema FCUs traded 600 MT on the Ethiopia Commodity Exchange worth \$794,275 USD.

AGP-AMDe partners distributed 200 MT of Setit-I and Humera-I improved seed in the four AGP regions, which is enough to cover 50,000 hectares for an estimated 35,000 smallholder farmers. The activity is expected to net over 35,000 MT of sesame seed for export.

The Selam farmer union inaugurated its sesame cleaning machine in Abrehajira, located in the Amhara region at the union's General Assembly. Amhara-based Metema and Tsehay farmer unions and Tigray-based Dansha Aurora Union all finished testing their sesame cleaning machines in partnership with Turkish manufacturer Tanis. Handover ceremonies are scheduled for October and November 2015. Six jobs were created in the period for maintaining the sesame cleaning machines, and more jobs are expected in the coming harvest season.



A battery-powered moisture meter that costs less than \$300 and training changed that last season for the Godebe Abderafi Primary Cooperative, giving its 500 farmers a swift start to improve quality and reduce post-harvest losses. Before the moisture meter, cooperative head, Araya Gebreselassie estimates that 1 in every 50 quintals has unacceptable moisture levels, leading to further losses in quality and extra costs in storage and transport.

Chickpea Value Chain

A late rainy season resulted in significant droughts in the southern and eastern parts of the country, and many chickpea producing unions that had contingency chickpea stock supported the regional bureaus of agriculture in reaching distressed farmers with approximately 490 MT of chickpea for consumption, earning them over \$462,000 USD.

During the period, a delegation of 50 participants from the International Chickpea Scientific workshop visited AMDe chickpea producer partner Lume Adama Union. The guests visited the union's wheat mill, grain storage, and saw the union's grading equipment.

In August 2015, USAID Mission Director, Dennis Weller, joined Ethiopian food processor and exporter Agro Prom to inaugurate Ethiopia's first industrial chickpea processing and cleaning machine in Adama, Ethiopia. The processing machine is the result of co-funding under the innovation grants program designed by AGP-AMDe. The processor and warehouse are worth an estimated \$1.2mn, of which USAID funded \$168,000, and Agro Prom invested the rest.



AGP-AMDe made the initial link between Agro Prom and chickpea growing farmer unions, Erer and Lume. The two unions signed initial contracts to each provide 1000 MT of chickpea to Agro Prom in the first year, an activity that benefits over 2000 farmers.

(Right) USAID Mission Director talks to the press at the event.

Honey Value Chain

In the period, honey value chain partners reported exports of approximately 42 MT of honey worth \$167,040 to buyers in the UK and Germany. AGP-AMDe provided 25 women from eight women honey cooperatives with business management training. The program distributed a package of beekeeping equipment, including beekeeping protective clothing, modern hives, wax stampers, extractors and beeswax for 220 women from 8 primary cooperatives.

Multinational honey trader and AGP-AMDe partner, Parodi Apicultura, opened an office in Addis Ababa, marking the company's first location in Africa. Parodi Apicultura is the third largest honey trader in the world, sourcing more than 25,000 metric tons of honey from more than two dozen countries each year. In Ethiopia, the company's European filial Matrunita is partnering with Bahir Dar-based Zenbaba Cooperative Union to produce, process and market Ethiopian honey to a wider international market. Together, Parodi and Zenbaba have shared the costs of establishing a modern processing plant, which will increase Zenbaba's capacity to process and export honey of its 4,000-plus members.



"Ethiopia represents the future of beekeeping and is the largest honey producer in Africa. Together with Zenbaba, Matrunita will bring the sweet honeys of Ethiopia to the rest of the world." said Santiago Herrero. General Manager of Matrunita Ethiopia.

Over 3100 bee forage seedlings were taken from Holeta Bee Research Centre and provided to five women honey cooperatives in Oromia and SNNPR. The seedlings were planted near apiary sites where bee forage is low.

Wheat Value Chain

To address the wheat seed shortage, which has affected farmers across the country, AGP-AMDe facilitated land preparation of 339 hectares for 228 member farmers of three primary cooperatives to multiply wheat seed. The program also delivered on tractor grants to seed producers in the quarter.

Wheat partners reported the purchase of 473 MT of wheat grain from member farmers for an estimated price of \$212,000 USD. Of the total, partner unions sold 18.5 MT of wheat to millers and traders, and milled the remaining amount on their own.



Tractor delivered to a seed cooperative.

Input Supply

Since going online between late 2014 and mid-2015, the five blended fertilizer plants strategically located throughout Ethiopia have produced and distributed approximately 30,000 MT of blended fertilizer worth approximately \$19 million. The plants have created jobs for nearly 400 people, and the blended fertilizer has benefitted over 280,000 farmers in the three regions.

Investments

The Impact Angel Network (IAN) and another U.S. investment group closed on an investment worth an undisclosed value in Krotaj Tahini, a tahini manufacturing and exporting company based in Addis Ababa, Ethiopia. The investors anticipate that over the next five years, the tahini company will support over 10,000 small farmers, generate \$32 million in export sales and create more than 60 jobs in the manufacturing sector. This is the IAN's fourth investment in Ethiopia and fifth investment in East Africa since 2013.

Cross Cutting Activities

Women in Agribusiness Leadership Network:

AGP-AMDe launched the second round of business and leadership training for 130 women participants from the Women in Agribusiness Leadership Network (WALN). The new members are high-potential women leaders in agribusiness from across the country and will receive training and coaching to build skills in business planning, management and marketing. AGP-AMDe initially launched the Women in Agribusiness Leadership Network in May of 2014 with over 400 participants from across Ethiopia. In its first year, 90% of WALN members successfully completed the program. The group is currently registering itself with the Ethiopian government and building a block of agribusiness leaders watching out for the interests of Ethiopian women.

Nutrition

In the period, a total of 5453 smallholder farmers (47% women) were trained by lead farmers and

development agents. The nutrition cascade training was organized by lead farmers in collaboration with local agriculture offices and focused on household dietary diversity strategies, such as farm diversification, homestead production and saving for food purchase. In collaboration with Digital Green, the program developed nutrition films to address farmers with selected nutrition practices in the four targeted areas of Amhara and SNNPR regions. A total of 1161 (60% women) watched the nutrition films and discussed improving household nutrition.

The program delivered its poster entitled “Nutrition Sensitive Agriculture Value Chain: A Foundation for Optimal Nutrition and Productivity” at the Integrated Nutrition Approach conference, held in Nairobi, Kenya in September 2015 to hundreds of experts from nutrition-related development sectors.

Performance Indicator Results Table

AGP-AMDe achieved significant results in the period of July 1 to September 30, 2015. The following table presents the quarterly results for priority indicators as well as the project's cumulative results since project inception.

Key Performance Indicators	LOP Target	Annual Target	Annual Results	Q1 Results July 1 – Sept. 30, 2015	Cumulative Results since 2011	Percentage of LOP Target Achieved
Number of beneficiaries supported by AGP- AMDe assisted value chains	1,000,144	252,964	480,926	160,259	1,098,308	110%
Value of sales, collected at farm-level, attributed to FtF implementation (USD) **	\$154,959,831	\$49,015,982	\$71,375,869	\$4,714,467	\$179,892,289	115%
Number of hectares under improved technologies or management practices *	89,095	45,219	205,545	138,383	263,073	221 %
Number of farmers who have applied new technologies or management practices *	117,720	86,642	153,171	77,142	231,060	168%
Number of individuals who have received USG supported short-term agricultural sector productivity or food security training	112,301	31,000	71,297	12,679	155,524	138%
Value of exports of targeted agricultural commodities (USD)	\$148,236,057	\$64,509,897	\$ 61,166,3000	\$1,960,640	\$161,227,172	109% ¹
Value of Agricultural and Rural Loans (USD)	\$39,134,157	\$40,518,335	\$94,165,172	-	\$137,571,951	199%
Number of jobs attributed to FTF implementation	8,144	2,580	2,028	1,258	5,955	73%

*Number is derived from the Annual Survey of 2200 SHFs conducted in March 2015.

**Incremental Sales is reported here as cumulative actual sales at farm gate and will be adjusted by the system once the annual data is entered into the FTD MS.

¹ The percent of LoP export target for coffee, sesame and honey are **92%**, **88%** and **83%** respectively. However, the export target for chickpea is under achieved and pulled down the total average. The average of the three VCs, excluding chickpea, is **88%**.

Fine Tuning the Art of Sesame

Investments in Improved Seed, Grading Equipment, Warehousing and Sesame Cleaning Technology Ensure a Better Future for Sesame Farmers



Abrehajira, Ethiopia— Every year when sesame pods are ripened yellow, thousands of laborers open and shake them over large plastic sheets to collect the little seeds. Before bagging, farmers don't exactly know if and the produce is dry enough to meet buyers' standards. Just a few percentage points of moisture impacts the sesame's quality and weight, spelling big losses in sales.

A battery-powered moisture meter that costs less than \$300 and training changed that last season for the Godebe Abderafi Primary Cooperative, giving its 500 farmers a swift start to improve quality and reduce post-harvest losses. Before the meter, cooperative head, Araya Gebreselassie estimates that 1 in every 50 quintals has unacceptable moisture levels, leading to losses in quality and extra costs in storage and transport.

"The instrument makes everything much more efficient. Excess moisture will eventually affect the sesame's color, leads to mold and insect damage and weighs more," explains Araya, whose cooperative sold 100 MT of sesame to Selam Union in 2014. Godebe Abderafi is one of the strongest of 38 member cooperatives under the Selam Farmer Union and in 2014,

its 500 members sold 100 MT of sesame, a large contribution to Selam's total 1800 MT of sesame. The moisture meter is just a small part of the Selam Farmer Union's partnership with the AGP-Agribusiness Market Development program. Progress began in 2012, when the program and Selam Union partnered to address the challenges affecting Ethiopia's sesame sector, from seed to export.

In 2014, AMDe and Selam Union built a 5000 MT capacity warehouse and a year later installed a high capacity, industrial sesame processing machine that cleans up to 99.5 percent purity in Abrehajira, a lowland outpost in the heart of Ethiopia's northwestern sesame belt. Before the establishment of the warehouse and processor, Selam Union transported truckloads of sesame over 250 kilometers to small government-owned warehouses and eventually to the regional capital, Gondar, where they paid to have their sesame cleaned and processed, all this before they could even consider export options.

"It is hard enough to collect our member's sesame in an area covering nearly 200 kilometers. We spend nearly \$10 per 100 kg to get it to a commercial processor where we have to pay \$20,000 each year in fees," explains the Selam FCU chairman, Jegne Tabekew.

Besides giving the union storage, the warehouse increases Selam Union's capital assets providing collateral for financing. Local financial institutions develop confidence, and more financing allows the union to purchase more sesame from members. This year, Selam Union—18,000 smallholder farmers—expects to aggregate a record amount of 5000 MT of sesame and export 2500 MT of sesame, an increase of 40% over 2014. Selam leaders have hopes for its sesame's purity, which has the potential to open the union to niche markets. AMDe's training has helped farmers reduce the foreign matter in a bag of harvested sesame by 25%, according to chairman Jegne.

"Post-harvest training has made a big difference in quality of the sesame our members are producing. We can maintain the level of quality of White-Humera sesame demanded by international buyers, and with the warehouse and processing machine, we reduced wastage and the delivery time to our customers," he says. "We can't buy all the sesame the farmers produce, but with better quality sesame, they too can get better prices from sesame traders."

Poultry Supplier Gains Confidence, Income

Women in Agribusiness Leadership Network prepares entrepreneurs with business and leadership skills to benefit their families and community



Tsehay recently acquired a freezer to expand her business.

Tsehay Fantu, 55, grew up on a sugar cane factory after her father—a trader and store owner in the eastern Ethiopian city Dire Dawa—went bankrupt and took a job processing sugar. On the plantation, Tsehay finished grade school, and her parents supported her to obtain a business management diploma. Her real passion is food, and it was her mother who taught her everything she knows about it.

After several jobs, in 2005 she and her husband moved to Adama, southeast of Addis Ababa, where he found a job in a warehouse. She started her own business buying live chickens, then cleaning and processing them. “Cooking is my passion, when we were poor I knew we needed to start a business, so I focused on poultry and created *Tsehay’s Prepared Chickens*.”

Tsehay ran the business out of her home with her two sisters, providing her neighbors and local restaurants with ready-to-cook poultry. Despite being precise and as safe as possible, her business grew very slowly, plateauing at 100 chickens a month and an average monthly revenue of \$300 USD.

In 2013, she joined the Women in Agribusiness Leadership Network, a business network of over 120 Ethiopian women entrepreneurs created by the USAID AGP-Agribusiness Market

Development program to give women leaders’ resources to plan, manage and grow their businesses.

Over a 10-month period, through a series of workshops, business training and by sharing work experiences, Tsehay learned ways to better manage her finances, to create a business plan and to find the confidence to address issues affecting her business.

“WALN taught me to separate my personal and household finances from my business finances. Before I just had all the money together and took what I needed,” she explains.

WALN workshops also engaged Tsehay in critical thinking exercises on ways to develop new business, increase promotion and expand operations. Instead of just processed poultry, she began adding value to her products selling prepared meals that she cooked with passion and joy. While each processed chicken is worth \$6.50 USD, a roasted chicken is valued at \$20 USD and in a stew, it’s worth \$25 USD.

During the first year of WALN membership, Tsehay more than doubled her institutional clients, including half a dozen hotels in Adama. She did business with several supermarkets, but found their prices to be too low, and she made the business decision to quit supplying to them. The overall improved cash flow allowed the business to acquire a new freezer and rent a small shop in downtown Adama. The cleaning and preparation still takes place in her kitchen, but now she has a distribution point to reach her growing portfolio of customers.

Every month she sells 900 chickens and over the past three months, revenues are more than \$800 USD per month.

Using the business plan training, she and her sisters took a \$900 USD loan from a local microfinance institution to launch a new business line of Ethiopian spices and dry goods, from beans to chickpea powder. They have already paid off half of the loan.

“WALN gave me the confidence to get a loan. Ethiopian women are usually too frightened to take loans from official sources, too afraid they won’t be able to pay it back,” she says.

In addition to helping themselves, WALN women are also giving back to their communities. Each WALN member is tasked to mentor up to four women and transfer the technical and leadership skills they gleaned from WALN, ultimately resulting in a stronger network of women leaders. Tsehay mentors three women from her community, church and business networks.

“I give them practical lessons about how to keep records. They lack advertising and promotion skills. The biggest advantage to being in WALN is the raised profile. Members gain the ability to reach more and more people.”

Tsehay and her sisters are now working hard to prepare their storefront, and she continues to win new hotel clients while grooming her teenage daughter and son to take over the business within a few years. Her husband still works in the same warehouse, earning half of what Tsehay makes.

“He’s supportive of our business, and smiles when I provide money for my children’s school fees and can buy them new clothing. My father’s business went bankrupt, I want to make sure that mine doesn’t.”

In its first year, 90% of WALN members successfully completed the program. The group is currently registering itself with the Ethiopian government and building a block of agribusiness leaders watching out for the interests of Ethiopian women. In 2015, USAID AGP-AMDe launched a second round of WALN training, bring another 125 women business leaders from a variety of agribusiness sub-sectors into the network.



Tsehay (right) and her sisters in front of her new storefront in Adama, Ethiopia.

Making Chickpea Synonymous with Ethiopia

Ethiopian Agribusiness Will Target High Value Markets with Ethiopian Chickpea and Oilseeds



Even though Ethiopia leads Africa in production and is sixth in the world, low productivity and lack of processing hinders the chickpea's path from farmer to consumer as well as the sector's ability to put quality chickpea on the international market. In 2014, one million Ethiopian farmers produced over 450,000 MT of chickpea and exported around 60,000 MT. Due to these gaps in quality, Ethiopia chickpea exports go to lesser value markets. In addition, exporters sell to high volume food processing companies in India and Pakistan, where the chickpea end up bulked with other chickpea lots.

Ethiopian food processor and exporter Agro Prom has plans to change the course of Ethiopian chickpea history by establishing the country's first industrial chickpea processing and cleaning machine in Adama, 100 kilometers southwest of Addis Ababa. Agro Prom invested over \$1 million in the warehouse and processor in partnership with AGP-Agribusiness Market Development program, which invested nearly \$200,000 under its matching grants program.

With the processing equipment, Agro Prom is poised to sell to the more demanding and higher value American, European and Middle Eastern markets. The machinery cleans chickpeas to above 99% purity using gravity separators and electromagnetic technology to remove soils and other impurities. While the Ethiopian chickpea is smaller than most chickpeas on the world market, it makes up for size with its rich taste. Within the next two years, Agro Prom plans to turn its cleaned and sorted chickpeas into value added products, especially hummus, before exporting.

"Quality is our biggest problem preventing us from entering the big markets. Yes the Pakistanis buy from us, package it and sell it for more to better markets. Now that will change. If we want to reach quality standards, we had to put up a quality machine. We now have that machine," says Agro Prom founder and CEO, Elias Geneti.

Agro Prom has been in the pulse and oilseed business for ten years and exported 1000 MT of chickpeas in 2014. While the majority of Agro Prom's revenue comes from sesame, CEO Geneti sees this changing over the next five to ten years, as the company shifts its focus to chickpeas. Agro Prom's first export target in 2016 is 4000 MT of quality chickpea to high value markets such as the US and Europe.

“USAID’s partnership with Agro Prom is a prime example of the new model of development in which the private sector is making big investments. These types of partnerships guarantee better prices for farmers and are important for the entire value chain,” explains Dennis Weller, USAID Ethiopia’s Director.

Over the past four years, these activities reached over 13,500 chickpea farmers with training and support and helped farmers sell approximately 5000 MT of chickpea at farmgate, worth \$2.8 million.



How to Find a Sustainable Source

In 2005, Agro Prom became the first Ethiopian agro-processor to use contract farming with nearly 5000 smallholder sesame farmers in Northern Ethiopia. For chickpea, Agro Prom is using the same contract farming model to source grain for the new processing plant. Under the contract farming structure, Agro Prom provides financing, guarantees prices, provides on-site agronomists and gives training to farmers.

“Agro Prom is replicating the same contract farming model with Ethiopian chickpea farmers. We need to link the entire value chain to guarantee fair distribution of the benefits and nurture sustainability,” says Elias Geneti. “As the first chickpea producer in Africa, Ethiopia should be a major player in the export market. With higher returns, farmers will be less likely to turn to other less-valuable crops like cereals.”

While USAID uses development funds to stimulate these types of investments, perhaps more valuable to Agro Prom is the program’s initiative to link Agro Prom with chickpea farmer cooperatives under the Erer Farmer Union. Agro Prom and the Farmer Union signed contracts to provide 2000 MT of chickpea to Agro Prom in the first year, an activity that benefits over 2000 farmers.

Under the contract, Erer Union manager, Mekonnen Hailu, can guarantee income for two of the union’s member primary cooperatives representing over 1000 farmers each. “The advantages are that farmers do not have to worry about a market for their produce and when they get better prices, they are encouraged to increase production,” Mekonnen says.

In 2016/17, Agro Prom and each cooperative will increase the contract to 1500 MT, which will allow Erer FCU to incorporate more primary cooperative members into the chickpea supply chain.

“Agro Prom is doing everything it can to work with local producers to guarantee quality chickpea for processing and has agreed to pay premium prices to the farmers,” explains Geneti. “Locally, the biggest challenge is finding a sustainable source.”

Indeed, few Ethiopian farmers produce Kabuli chickpea variety, which sees higher demands from the international market. To this end, Erer and eight more farmer unions partnered with AGP-AMDe to multiply certified Kabuli chickpea seed and have produced 550 MT of seed leading to the production of over 22,500 MT of chickpea.

All the Right Ingredients for Success

Ethiopian Food Processor and shop owner links with suppliers and buyers through the Women Agribusiness Leadership Network

Gondar, Ethiopia—Asmeret Mekonnen, 52, knows something about living under a low profile. Her Italian father passed away when she was two years old, and she spent the better part of her childhood ‘in hiding’, for her mother feared his family would come to Ethiopia and take Asmeret away. She was her mother’s only child.

As a child growing up in Gondar, in the north of Ethiopia, she managed to finish the 8th grade. She quickly married her husband, Gebre and they successfully raised seven children, which she says makes up for her growing up a single child.

Gebre retired in 2010 and they relied on their children until she opened up Asmeret Baltena, a small shop known for dried goods including spices, pulses and flour. She took a small loan from a local microfinance institution for \$250 USD to stock the shelves. After several months, she paid back the loan.

She put all her experience from raising her family into her products, especially her *shiro*, a popular Ethiopian chickpea powder dish blended with spices. After buying whole chickpeas, she does all the work from roasting the chickpeas to crushing the delicate mix of spices by hand and milling the chickpeas twice at a local mill and packaging. Her end product is a delight of hot pepper, ginger, garlic

and secret spices, and has made her into a local *shiro* expert.



Asmeret searches for perfect peppers in Gondar, Ethiopia.

“It’s really all about the quality of the pepper that makes a *shiro* stand out, and good quality peppers are becoming more and more expensive,” she explains.

In 2014, her fame landed her in the Women’s Agriculture Leadership Network (WALN) where over a six month period she received business and leadership training, shared her experience running a business and participated in a business plan competition.

Like many uneducated Ethiopia women trying desperately to grow their petty trades, she has no idea how to keep records of purchases, sales and profits. In WALN meetings, she and her colleagues learned to analyze the marketing side of their businesses, giving their value added products names and searching for new market channels.

“Women are often left out of the supply chain of Ethiopia’s main agriculture goods or only doing manual labor and basic sales. WALN grants them the space to think more strategically about how they market and their customers,” says AGP-AMDe’s Chief of Party, Vanessa Adams.

In the first year of her WALN membership, Asmeret took another loan, this time for \$750 USD to increase the shop's stock, and in 2015, she took yet another loan for \$1000 USD, which she is well on her way to paying off.

"WALN women and trainers made me realize I had the confidence to expand my business. There is no reason to settle for what I was making," she says. She hired two employees and used her already famous *shiro* to network with new customers from restaurants around Gondar.

Nowadays, Asmeret Baltena is registering sales of nearly \$300 USD per month, and perhaps most useful are the contacts made through WALN itself. Asmeret now purchases her chickpeas from WALN colleague Alemetu, and goes to a mill run by WALN colleague Alemanchi. Each of these women also participated in the WALN training package.

Women in Ethiopia make up more than 45 percent of the agricultural labor force, yet represent less than 20 percent of members of agricultural cooperatives, are rarely in positions of power, and have less access to resources and opportunities than men. As WALN goes into its second year and adds new members, the links between members and regions continue to grow.

Mentoring the Neighbors

Under the WALN program, Asmeret also began mentoring women and recruited three friends and neighbors, each trying to start a shop. She mentored the women for six months, meeting regularly and covering key WALN topics, from record keeping to business planning. Tiruwerk, a retired teacher, lived on practically nothing and learned from Asmeret how to apply for a loan.

"Running a business is like making *shiro*, you need to make sure you have all the best ingredients. Experience and support can be helpful, and how to get a loan is very important when you have nothing," explains Asmeret.

A common trait among successful WALN women is the ability to react to their surroundings and circumstances and think of ways to manage their business in a meaningful manner. And for those who have seen few new customers, all WALN members have come away with something more important: confidence and leadership. Most of the women barely finished high school and had never received training in management or negotiation. Confidence allows them to speak for themselves, not only within their families, but also their communities.

"Dealing with customers is really how you keep them coming back. She does it well, better than I could ever do it. As her confidence grows, our family is more secure, since we rely on Asmeret for everything," says Gebre, her husband.

Today Asmeret is searching for a new location to bring her famous *shiro* to more people. Thanks to Gondar's large percentage of Ethiopia diaspora, her *shiro* has gone beyond Gondar, and is now famous in the US, where Ethiopian families do everything they can to get Asmereta's *shiro* on a flight back to Washington DC.

Modern Hives Give Women Farmers New Vocation



Ethiopian farmer Ayelech Bekele, 55, joined the Lelistu Ogda farmer cooperative because she believed she had better chances to improve her quality of life as part of a group. She's married with six children and a fifth grade education. She and her family have always been farmers.

Ayelech has one hectare of land that has deteriorated significantly over the years due to soil erosion and lack of maintenance. She has seen a decrease in maize and teff yields while her mango and avocado trees are bearing less fruit every year. Although the Ethiopian government facilitates fertilizer distribution, Ayelech cannot afford inputs to upgrade her soil's fertility. In fact, most of the farmers in the farmer cooperative struggle with soil fertility. That's why Ayelech and 19 other women now embrace beekeeping as an alternative method for increasing their income.

"Since our farm lands are poor quality and we can't afford fertilizers, beekeeping is an alternative way for me to take care of my family since I can produce more income with this new skill. Our primary cooperative will improve too," says Ayelech.

In August 2015, AGP-Agribusiness Market Development program provided Ayelech and 19 women in her cooperative with beekeeping equipment and technical training. The activity starter kit gives each member two to three modern hives, beekeeping attire, three kilograms of wax and provides the group with a beeswax molder, honey extractor and queen excluders. Each woman then commits to purchasing two more beehives.

In addition, the program trains the new beekeepers in advanced techniques in honey production. On the first day of training, the women received a handbook and guide to beekeeping. The women participate in a practical session on the second day stamping wax panels and setting up the modern hives.

"Learning the methods of using modern hives will help us achieve more and increase my income. I am excited to produce honey," explains Farmer Ayelech. Since 2014, AMDe has provided materials and training for over 320 women beekeepers in the four regions Oromia (40), SNNPR (60), Amhara (120) and Tigray (100)

Some of the women were already keeping bees while others, like Ayalech, are learning the trade for the first time. In total, the 320 women received 760 modern beehives to promote their beekeeping business. If done properly, one hive can produce 25kg of honey per harvest. In an average season and with four modern hives, Ayelech can get two harvests and an extra \$200 in addition to the sales from her annual maize and teff harvests.

"In recent years, beeswax has become scarce in Oromia. The women can capitalize on this and with their excess honey they can make tej or sell it for table honey," explains Abiy Seifu, regional beekeeping and livestock expert.

Ayelech expects to have her hives buzzing soon and make her first harvest in early 2016.

Component I: Improving Value Chain Competitiveness

Coffee Value Chain

Summary of Quarter Results

- Registered 44 of the targeted 50 exporters with their own warehouses and processing facilities and identified an additional 60 exporters without warehouses and processing facilities.
- Trained 46 (6 women) primary cooperative leaders and staff from six woredas and seven cooperatives from Oromia in leadership, record keeping, business planning and marketing.
- Trained 6 assistant instructors, 18 new students and 14 re-take students through Q certification program at the SCAA certified lab.
- Provided SMFM and PHH cascade training for 632 smallholder farmers (121 women) from Gedeb Woreda, SNNPR.
- Distributed 60,000 leaflets and 18,000 posters printed in the Afan-Oromo language through four cooperatives in Oromia.
- Facilitated the sales of 1,091,000 coffee seedlings in Oromia and SNNPR.

Key Activities

World Coffee Conference

The Ethiopian delegation presented plans for the 4th World Coffee Conference and launched the website <http://wcc2016ethiopia.com//> at the 115th Session of the International Coffee Council, which took place at the end of September, 2016 in Milan, Italy.

Minister of Trade, Yacob Yala, headed the delegation, which also included Hussein Agraw, President of the Ethiopian Coffee Exporters Association (ECEA), Abdella Bagershi, Chairman of the African Fine Coffees Association (AFCA), and Tadele Abra, ECEA Board Member and owner of one of the largest coffee plantations in Ethiopia.



The World Coffee Conference will take place in Addis Ababa on March 6-8, 2016. AGP-AMDe designed the website and is providing technical support to the Ministry of Trade and ECEA to host the conference with no hiccups.

ECEA

AGP-AMDe facilitated a day-long strategic planning workshop for the Ethiopian Coffee Exporters Association August 17, 2015. The workshop addressed 30 representatives from ECEA's board, members and staff, as well as AGP-AMDe staff and industry stakeholders like Ministry of Agriculture and ECX. AGP-AMDe prepared for the event by researching relevant industry trends and conducting confidential interviews with local and international coffee stakeholders who have experience working with the ECEA. After presenting the findings of this preparatory work, the workshop facilitator led

participants through a variety of exercises designed to better define the ECEA's purpose, strengths, weaknesses, priorities, and necessary changes.



The workshop resulted in a prioritized list of initiatives required to meet ECEA's strategic goals over the next five years. The list includes necessary investments in resources and capabilities. The results have been codified into a Five Year Strategic Plan, which is pending approval from the ECEA board and general assembly.

Capacity Building

In Oromia, the program provided 46 (6 women) participants SMFM management training for primary cooperative leaders and staffs from six woredas and seven cooperatives, which will receive a wet mill grant for processing washed coffee. The training focused on cooperatives leadership, record keeping, business planning and marketing.

In SNNPR, the program partnered with Metad Coffee to deliver 43 (2 women) model farmers from Gedeb Woreda an interactive training on pre and post-harvest handling techniques to create specific strategies in order to increase coffee production and meet quality standards of international buyers. Trained farmers in turn trained 632 (126 women) out-growers through cascade training.

In order to equip farmers with the necessary long-lasting knowledge and skills in post-harvest handling techniques, AGP-AMDe distributed 60,000 leaflets and 18,000 posters printed in Afan-Oromo language through four cooperatives in Oromia. The posters and leaflets cover four topics: construction of raised drying tables, coffee harvesting, quality coffee storage and coffee visual and sensory defects. As continuation of last year same activity, a total of

Coffee Traceability

In the period, AGP-AMDe completed registration of 44 out of the targeted of 50 exporters that own warehouses and processing facilities. In addition, the program identified an additional 60 exporters without warehouses and processing facilities. To raise awareness, 88 (14 women) stakeholders attended two orientation sessions, organized by AGP-AMDe in collaboration with ECX and ECEA. In the period, the program made the following progress towards full implementation of the traceability system:

- Held two traceability working group meetings for project orientation and assignment of tasks
- Continued testing the prototype mobile scanning app and impact assessment on business process
- Held two technical conference calls with Wavetech and IBM for design walk through and integration
- Conducted bag tag sewing method evaluation and began assessing use of portable sewing tools
- Prepared, floated RFP and awarded bag tag procurement for 500,000 bags
- Began evaluating sample mobile scanning devices to determine best fit for procurement
- Floated RFP for two SUV vehicles to support traceability launch

Q Grader Training

In the period, Mario Fernandez, Coffee Quality Institute's Technical Director, in collaboration with ECX Quality Operations Manager, Mekonnen Haile, conducted this year's Q Grader training, calibration and assistant instructor mentorship at ECX's central lab in Addis Ababa for six assistant instructors, 18 Q Graders, and 14 Q Grader re-certifications. Ethiopia is on track to have its first full Q Instructor, ECX's Mekonnen Haile, by January 2016. He will be the second such instructor in Africa.

The training is a weeklong intensive review of the cupping and grading protocols required of a licensed Q Arabica Grader combined with a comprehensive evaluation of the individual's ability to consistently cup and grade green coffee. In addition, participants take twenty two specific exams designed to measure their sensorial abilities, including sensory skills, olfactory, triangulation and cupping, as well as a written exam covering general coffee knowledge. The final goal is to increase awareness about specialty coffee and increase volume and quality of coffee lots processed and exported by the country translating into a higher income for everyone in value chain.

Coffee Nurseries

In Oromia, three coffee nursery sites—Bufete Gibe, Andode and Atnago cooperatives—sowed 600,000 selected varieties of coffee seed and distributed and planted over 433,000 seedlings in permanent fields that cover about 173 ha of land. The seedlings are meant to replace old coffee trees.

In SNNPR, four youth and women common interest groups (CIG) reported the sales of 658,000 coffee seedlings, which will cover 253 ha of land. (Table 1)

Table 1: Coffee seedling production and sales by nursery.

CIG/PC	Union	Region	Zone	Woreda	Members			Plan	Sales
					M	F	Tot		
Kita	Bench Maji	SNNPR	Bench Maji	South Bench	13	6	19	200,000	155,000
Fanika	Bench Maji	SNNPR	Bench Maji	South Bench	11	5	16	200,000	135,000
Addis Alem	Tepi FCU	SNNPR	Sheka	Yeki	13	7	20	200,000	238,000
Emirichi	Tepi FCU	SNNPR	Sheka	Yeki	13	7	20	200,000	130,000
Andode	Limu Innarea	Oromia	Jimma	Limu seqa	209	19	228	200,000	140,000
Atnago	Limu Innarea	Oromia	Jimma	Limu seqa	75	29	104	200,000	133,000
Bufete Gibe	Limu Innarea	Oromia	Jimma	Limu seqa	213	4	217	200,000	160,000
Total					547	77	624	1,400,000	1,091,000

Coffee nurseries are a key intervention area of AGP-AMDe activities, which support primary cooperatives and CIGs in planting and replacing unproductive coffee fields with disease resistance, high yielding and good quality seedlings.

Coffee Wet Mills

In the period, the program completed the procurement of nine new wet mills: five for the Oromia FCU and four for the Yirgacheffe FCU. Under the agreement, the Oromia FCU paid more than \$80,000 USD to the supplier and collected the mills. Yirgacheffe FCU started construction work on all four sites and plans to commission the mills before the coming harvest session. In addition, AGP-AMDe is currently finishing the grant work for two wet mills for two primary cooperatives under Limmu Innarea FCU.

Coffee Analysis

The coffee market further slumped in September following a slight rally in August due to a weakness of the Brazilian Real and Colombian Peso. Looking ahead, going into coffee year 2015/16, it is important to keep an eye on weather patterns, particularly given the ongoing dryness in Central America, and the potential impact of El Niño on coffee growing regions. The trend of the international market will definitely affect farmer's interims of production and quality. The government of Ethiopia is set to announce the new agency to lead the sector, which will be tasked with finding solutions for the on-going economic and weather-related problems.

AGP-AMDe's support to cooperatives, individual farmers and CIG's in producing improved varieties of coffee seedlings in collaboration with research centers plays a significant role towards achieving the government's plan of doubling production in five years. The program's technical, agronomic, and management trainings have also improved farmer incomes. AGP-AMDe continues to work with the government and with key coffee sector stakeholders to lay the foundation for a more competitive industry. Ongoing work to address structural capacity issues and to build a leaner, more efficient, quality-focused system continues.

Coffee VC Key Events July to Sept 2015

Date	Name of Event	Event Type	Location	Total	M	F	AMDe Staff	Partners
July – September 2016								
July 21-23/2015	SMFM – management and leadership training	Training	Jimma	46	40	6	Solomon Legesse, Samson, Alemayehu	PCs from Buno Bedele, Limmu Inarea and ARGA FCUs
August 22-23/2015	SMFM refreshment TOT training	Training	Gedebworeda	43	41	2	Kilil Mesfin	METAD PLC
August 22-23/2015	SMFM cascade training	Training	Gedebworeda	632	506	126	Kilil Mesfin	METAD PLC
August 17 th	ECEA Strategic planning workshop	Workshop	Addis Ababa				Megan M Bisrat Ermias	ECEA
Sept 24th - Oct 3rd	Q Course	Training	Addis Ababa	39	9	30	Bisrat, Mario Fernandez	ECX, ECEA
QI	ECX Traceability progress update	Training	Addis Ababa	40	34	6	Henok Minas Bisrat E Solomon Edossa	ECX, ECEA
QI	ECX Traceability progress update	Training	Addis Ababa	48	40	8	Henok Minas Solomon Edossa Bisrat E	ECX, ECEA

Coffee VC Partners and Interventions for July to September 2015

Partners	Location (Woreda, Region)	Interventions during the Quarter (July – September 2015)	Explain observed major results
Ethiopian Coffee Exporters Association (ECEA)	National	ECEA conference AFCA Conference SCAA Conference	Ongoing collaborations for the organization of international trade shows and the Annual ECEA Conference.
Ethiopian Commodity Exchange	National	Pricing analysis (Judy Ganes) Support for lab certifications and grant for lab equipment Traceability	
Ethiopian Institute for Agricultural Research (EIAR)	National	Research meeting to design plan for Ethiopia coffee mapping and profiling project	Strategy planning
Jimma Agricultural Research Center (JARC)	Jimma, Oromia	Seedling production Research meeting to design plan for Ethiopia coffee mapping and profiling project	Strategy planning
Ministry of Trade	National	AFCA, SCAA conferences Milan Expo	Trade promotion
Ministry of Agriculture	National	Agronomy trainings & seedling production	Agronomy training & trade promotion
Oromia Coffee FCU	Oromia, National	Trade promotion, Washing station grants, SMFM Trainings	Market linkage, Grant support
Yirgacheffe Coffee FCU	SNNPR, National	washing station grants, Trade promotion	Market linkage, grant support
Partners	Location (Woreda, Region)	Interventions during the Quarter (July 2014 – September 2014)	Explain observed major results
Sidama Coffee FCU	Sidama, SNNPR	Market promotion	
Limu Inara Coffee FCU	Limu, Oromia	Market Promotion, SMFM Training, Seedling production	Market linkage,
Damota Woleyta Coffee FCU	Sidama, SNNPR	Market Promotion	Market linkage & Organizational development
Kaffa Coffee FCU	Kaffa, Oromia	Market Promotion, SMFM Training, Seedling production	Market linkage
Metad Plc	Addis Ababa	Grant support for washing station	Organizational development
Bench Maji Coffee FCU	Maji	Market Promotion, SMFM Training, Seedling production	Market linkage

Coffee VC Upcoming Events

Date	Name of Event	Location	Organizing body	
			Responsible staff	Contact address
Nov. 7- 13 2015	Origin Trip to Ethiopia	Addis Ababa, SNNP	Coffee value chain Manager	E-mail: Bermias@acdivocaeth.org , Tel: +251-911-601061
Nov. 9- 11 2015	Coffee Sustainably group meeting	Addis Ababa, SNNP	Coffee value chain Manager	E-mail: Bermias@acdivocaeth.org , Tel: +251-911-601061
Oct 15 2015	SMFM Quality PHH ToT handover training of trainers to DA's, woreda, zone & regional agricultural & coop bureau experts	Hawassa	Coffee value chain specialist	E-mail: kmesfin@acdivocaeth.org , Tel: +251-911-033748
Oct 29 2015	Multi-stakeholder meeting to update stakeholders on project accomplishment and sustainability plan	Yirgalem	Coffee value chain specialist	E-mail: kmesfin@acdivocaeth.org , Tel: +251-911-033748
Nov 2015	Multi-stakeholder meeting to update stakeholders on project accomplishment and sustainability plan	TBD	Coffee value chain specialist	E-mail: ateshome@acdivocaeth.org Tel: +251-911-658496
Nov 2015	Multi-stakeholder meeting to update stakeholders on project accomplishment and sustainability plan	Addis Ababa	Coffee value chain Manager	E-mail: Bermias@acdivocaeth.org , Tel: +251-911-601061
Dec 2015	Q Instructor & Grader Course	Addis Ababa	Coffee VC Manager	E-mail: Bermias@acdivocaeth.org , Tel: +251-911-601061

Coffee VC Activity Tracker (Gantt Chart) July – September 2015:

Activity Description	Indicator unit	Total Target	Q1 July - Sep 2015		Reason for Variance
			Number	Achieved %	
Technical assistance improved coffee seeds & through innovation grant fund introduce new seedlings through nursery establishment with PC's and CIG's	# of seedlings distributed	1,500,000	1,500,000	100%	
Conduct Q Assistant Instructor, and Q grader training and calibration courses using the Q grader system	# pf participant	40	39	97	

Sesame Value Chain

Overview

In the first quarter of the 2016 Fiscal Year sesame planting and handling is taking place and smallholder farmers, commercial farmers and their technical staff are engaged in supervision for good production as well in quality control to minimize the post-harvest loss.

According to government data, this sesame season there approximately 794,000 hectares of land under sesame cultivation in the major sesame growing regions of Tigray, Amhara and Oromia. This season, the government expects over 769,000 MT of sesame for the export market.

In the coming month of October, farmers will begin to harvest the new crop, in the meantime, the reporting period is time when sesame availability depletes and the sesame market saturates, unless small stocks are made available by speculators. The coming quarter is when the majority of sesame transactions will be made by producers, ECX traders, processors and farmer unions. Last year's demand for Ethiopian sesame was much lower than 2013/14 period. Producers hope for a turnaround this season.

Summary of Quarter Results

- Sesame partners did not report any incremental sales of sesame, however, sesame partners reported a stock of 2130 MT of sesame worth \$3,147,000 USD, as they continue to wait for better prices and higher demands.
- Six jobs were created in the period for maintaining the sesame cleaning machines, and more jobs are expected in the coming harvest season.
- The sesame value chain exported 1254 MT worth \$1,793,600 USD. Selam and Metema FCUs traded 600 MT on the Ethiopia Commodity Exchange worth \$794,275 USD.
- AGP-AMDe partners distributed 200 MT of Setit-I and Humera-I improved seed in the four AGP regions, which is enough to cover 50,000 hectares for an estimated 35,000 smallholder farmers. The activity is expected to net over 35,000 MT of sesame seed for export.
- The Selam FCU inaugurated its sesame cleaning machine in Abrehajira, in Amhara.

Key Activities

Sesame Sales and Marketing

Sesame partners did not report any incremental sales of sesame, however, Kafta Humera Sesame Producers and Sales Cooperative (KHSPSC) and Tigray Multipurpose Marketing Federation (TMMF) sesame partners reported a stock of 2130 MT of sesame worth \$3,147,000 USD, as they continue to wait for better prices and higher demands.

KHSPSC, Setit Humera and Selam FCU exported 1254 MT of sesame priced at \$1,793,600 USD, and Selam and Metema FCU traded 600 MT on the ECX auction floor, and earned \$794,275 USD in revenue (Table 2)

Table 2: Quarterly sesame purchasing and sales

Organization	Purchase		ECX Trade		Export	
	MT	USD	MT	USD	MT	USD
Setit Humera	750	1,146,000	---	---	152	226,100
Selam	---	---	19	25,612	608	851,200
Metema	---	---	581	768,663	---	---
KHSPSC	380	551,000	---	---	494	716,300
TMF	1,000	1,450,000	---	---	---	---
Total	2,130	3,147,000	600	794,275	1,254	1,793,600

Sesame Processing

On August 29, 2015, Selam FCU inaugurated its sesame cleaning machine in Abrehajira, located in Amhara, during the union's General Assembly. Regional and Zonal officials from Administration, Cooperative Agency and Agriculture as well 305 (35 women) members, Board of Directors and management staff of the FCU and AGP-AMDe representatives attended. This machine was purchased and installed with grant support from AGP-AMDe and is ready for the coming crop. Right away, the machine creates six new jobs and the FCU expects to add 20 more during the peak harvest and processing season.



The machinery allows the FCU to clean its sesame at a quality level of 99.5% purity and has a capacity of 5-7 MT per hour. Better quality sesame gives the FCU better chances at accessing markets like US, Europe and Japan. Additionally, the machine reduces the FCU's cleaning and transportation costs.

Amhara-based Metema and Tsehay FCUs and Tigray-based Dansha Aurora FCU all finished testing their sesame cleaning machines in partnership with Turkish manufacturer Tanis. The handover and inauguration ceremonies are scheduled for October and November 2015.

Seed Multiplication

AGP-AMDe and partners disseminated 200 MT of Setit-I and Humera-I improved seed varieties in Tigray, Amhara, Oromia and SNNPR. The activity was completed in partnership with the Humera and Gonder Agricultural Research Centers, Ethiopian Seed Enterprise and the Tsehay, Selam, Setit Humera and Dansha Aurora FCUs. The 200 MT of seed is expected to cover about 50,000ha of 35,000 SHF and produce 35,000 MT of sesame seed.

Selam FCU, a licensed seed multiplier, delivered 1 MT of Setit-I improved sesame seed to 21 members and two commercial seed multipliers that was then planted on 250 ha. The activity is expected to net over 175 MT of certified seed. Dansha Aurora and Setit Humera FCUs multiplied Humera-I and Setit-I through four PCs and 137 smallholder farmers on 132 hectares. The activity is expected to net 92 MT of certified seed.

In the period, AGP-AMDe provided technical support to 158 seed multipliers on best practices, seed management and seed multiplication process.

Sesame Analysis

Countries like Tanzania, Togo, Mali and Burkina Faso are in the market offering lower prices of \$1000 USD per MT while Ethiopian Exporters are trying to market their sesame for \$1250 to \$1300 USD per MT. The ECX price is also affected and now hovering over \$1300 USD per MT, which is equal to the international market price without the export process overhead cost. All this shows it is a very challenging period for producers and traders with big stocks speculating that the market will rise during the slack period. Those with sesame stock are advised to make immediate decisions before the new Ethiopian sesame arrives in October.

AGP-AMDe's sesame partners will put four new sesame cleaning machines to work this season to help them to clean and achieve the highest quality of sesame Ethiopia has ever seen. Additionally, the unions will save needed capital by using their own machinery, savings which will minimize overhead costs and make them more competitive.

Sesame Challenges

Rain feed agriculture is quickly emerging as a weakness in Ethiopia's agriculture system. Producers need to work out how they can get into irrigated farming. The 2015/16 rainfall came late and in lower quantity during the planting period in most areas in Ethiopia's northwestern sesame growing regions. Some farmers re-ploughed their fields and planted sorghum, however, in Amhara some farmers decided to plant late, got better rain fall, and expect higher yields compared to last year.

Sesame Activity Tracker (Gantt chart) July – September 2015

Activity Description	Indicator units	Target	Q1 July to Sep 2015	
			Number	Achieved %
Market promotion and linkages				
Facilitate market linkage between FCUs and PCs	MT	2100	2100	100
New technologies and management practices				
Facilitate the distribution of new sesame varieties	MT	200	202	101
Facilitate the distribution of new variety seed to small holder farmers	# SHF received seed	160	158	98
Total				

Chickpea Value Chain

Overview

What was planned for the quarter was not completely implemented due to late or no approval of the FY16 Workplan. Partner FCUs reported that their chickpea crop status is at the seedling stage. The majority of growers planted their fields during first weeks of September 2015.

Chickpea is one of the main crops in Ethiopia both in terms of its share of the total cropped pulse area and its role in direct human consumption. It is planted immediately after the harvest of cereals and grows under residual moisture thus giving farmers a second crop where only one crop would traditionally be grown. The importance of the crop in the Ethiopian diet has also been significant. Producing chickpea earlier under full or supplemental irrigation could help to improve the productivity of the crop and contribute in increased production in the area.

Summary of Quarter Results

- In August 2015, Ethiopian food processor and exporter Agro Prom inaugurated Ethiopia's first industrial chickpea processing and cleaning machine in Adama, Ethiopia.
- Many chickpea producing unions that had contingency chickpea stock supported the regional bureaus of agriculture in reaching distressed farmers (due to drought) with approximately 490 MT of chickpea for consumption, earning them over \$462,000 USD.
- During the period, a delegation of 50 participants from the International Chickpea Scientific workshop visited chickpea partner Lume Adama Union. The guests visited the union's wheat mill, grain storage, and saw the union's grading equipment.

Key Activities: Chickpea Processing

In August 2015, USAID Mission Director, Dennis Weller, joined Ethiopian food processor and exporter Agro Prom to inaugurate Ethiopia's first industrial chickpea processing and cleaning machine in Adama, Ethiopia. The processing machine is the result of an innovation grants program designed by AGP-AMDe. The processor and warehouse are worth an estimated \$1.2 million, of which USAID funded \$168,000 and Agro Prom invested the rest.

Agro Prom began partnering with AGP-AMDe in late 2014 under the Innovation Grants program. The machine can process 5 MT of chickpeas per hour, and has created job opportunities for five staff and will add another seven permanent employees when it goes to full capacity.



AGP-AMDe linked Agro Prom with chickpea farmer cooperatives under the Erer Farmer Union. Agro Prom and the Farmer Union signed contracts to provide 2000 MT of chickpea to Agro Prom in the first year, an activity that benefits over 2000 farmers. Agro Prom's first export target in 2016 is 4000 MT of quality chickpea to high value markets such as the US and Europe.



Seed Marketing and Distribution

A late rainy season resulted in significant droughts in the southern and eastern parts of the country, and many chickpea producing unions that had contingency chickpea stock supported the regional bureaus of agriculture in reaching distressed farmers with approximately 490 MT of chickpea for consumption, earning them \$462,398 USD. A total of 16% of the chickpea came from Oromia and 84% came from Amhara.

During the season, a total of 59.6 MT of chickpea seed were distributed to 1080 farmers from 9 partner FCUs in Amhara and Oromia regions. The seed covered 510 ha. (Table 3)

Table 3: Seed distribution in 2015/16 season by FCU and region.

FCU (Amhara)	Seed distributed		# of farmers		
	qtl	ha	m	f	Total
Tsehay	50	50	101	16	117
Ghion	127	127	260	40	300
Wodera	27	19	48	8	56
Total	204	196	409	64	473
FCU (Oromia)					
Liben	54	36	27	27	54
Lume Adama	178	148	249	107	356

Erer	67	56	40	27	67
Biftu	93	74.4	100	30	130
Total	392	314.4	416	191	607
Grand Total	596	510.4	825	255	1080

Site Visit

In the period, 50 guests from a US-based International Chickpea Scientific Workshop visited the Lume Adama FCU. The team visited the FCU's wheat milling factory, grain storage, grading equipment and the union's former grain cleaning machine. Lume FCU manager Ato Tadele and AGP-AMDe accompanied the visitors providing explanations of the program support in the chickpea and wheat value chains.



Chickpea Analysis

AGP-AMDe's improved seed intervention in the nine chickpea producing FCUs has resulted in significant contributions towards the growing volume of production and popularization of improved chickpea seed at a national level.

Under the nine partner FCUs, a total of 44,994 MT of improved Kabuli chickpea seed and grain have been produced. Total improved chickpea seed production went from 919 MT in 2011/12 to 13,816 MT in 2014/15, and there have been similar changes in the number of hectares under cultivation. These results clearly show that the program's intervention has been effective in terms of securing food and generating income for the SHF in the selected sites.

Apart from the continued seed multiplication and production activities by the SHF, partner FCUs stepped up to the government's request for drought-resistant crops and supplied improved variety chickpea seed from contingency stocks to areas where there was rain shortage.

Chickpea Challenges

Low seed repayment by most chickpea farmers has resulted in lower levels of facilitation to provide seed to new farmer beneficiaries for the coming year. The impacts of climate change—rain shortage—has resulted in less availability of seeds.

Chickpea VC Partner and Interventions for July to September 2015

Partner	Location	Region	Zone	Intervention
Becho Wollios FCU	Tulu Bolo Twon	Oromia	South West Shoa	Seed multiplication and grain production
Lume Adama FCU	Mojo town	Oromia	East Shoa	Seed multiplication, grain production & Market linkage,
Erer FCU	D/Zeit	Oromia	East Shoa	Seed multiplication, grain production & Market linkage,
Liben FCU	Woliso	Oromia	South West Shoa	Seed multiplication, grain production & Market linkage,
Biftu seed producing coop.		Oromia	East Shoa	Seed multiplication, grain production & Market linkage,
Tsehay FCU	North Gondar	Amhara	North Gondar	Seed multiplication, grain production & Market linkage,
Wodera FCU	North Shewa	Amhara	North Shoa	Seed multiplication, grain production & Market linkage,
Ghion FCU	East Gojjam	Amhara	East Gojjam	Seed multiplication, grain production & Market linkage,
Mereb FCU	Bahirdar	Amhara	West Gojjam	Seed multiplication, grain production & Market linkage,
Edget Woman Agro Business Coop	Mojo town	Oromia	East Shoa	small scale woman food processing, follow up done to ensure milling machines are at hand, will start processing of chickpea made products targeting domestic Supermarkets
Leye Woman Agro Business Coop	Tulu Bolo Town/Oromia	Oromia	South West Shoa	small scale woman food processing, follow up done to ensure milling machines are at hand, will start processing of chickpea made products targeting domestic Supermarkets
Bale green Plc	Bale	Oromia	Bale	Seed multiplication
Agro Prom	AA	AA	AA	Market linkage created with Denkaka and Katila PCs to produce and deliver 1000MT to for processing

Chickpea Activity Tracker (Gantt chart) July – September 2015

Activity Description	Indicator Unit	Target	Q I July to Sep 2015	
			Number	Achieved %
Market promotion and linkages				
Market facilitation between chickpea-producing smallholder farmers, farmer groups, and cooperatives with exporters and export traders association	MT	500	489	97
Technical assistance Agro processor company	Number organization received assistance	1	1	100
New technologies and management practices				
Follow up the distribution of Revolving chickpea seed to the small holder farmers	MT	6	5.96	99
Facilitate the distribution of new variety chickpea seed to small holder farmers	# SHF	1100	1080	98

Honey Value Chain

Overview

Despite its long history, beekeeping in Ethiopia is still underdeveloped. The farmer's knowledge and skill of honey production and honey and beeswax extraction remains low, and the majority of beekeepers in the country still produce honey using traditional hives. Traditional beekeeping accounts for more than 90% of the honey produced in the country.

Beekeeping is frequently perceived to be a male activity and women's participation in beekeeping projects is lower than it should be. The engagement in beekeeping business is identified as one of farming activities that generates income and supports women. AGP-AMDe designed a plan to promote beekeeping as an income-generating activity for women, and selected 220 women organized under cooperatives and deliver the hives and tools needed to start keeping bees.

Summary of Quarter Results

- Distributed a package of beekeeping equipment, including beekeeping protective clothing, modern hives, wax stampers, extractors and beeswax for 220 women from 8 primary cooperatives.
- Honey value chain partners reported exports of approximately 42 MT of honey worth \$167,040 to buyers in the UK and Germany.
- Multinational honey trader Parodi Apicultura opened an office in Addis Ababa, marking the company's first location in Africa.

Key Activities

Women Beekeeping Groups

AGP-AMDe distributed a package of beekeeping equipment, including beekeeping protective clothing, modern hives, wax stampers, extractors and beeswax for 220 women from 8 primary cooperatives from Oromia, SNNPR and Amhara. The groups in Oromia and SNNPR are independent honey producer cooperatives, new to the activity, and the three groups in Amhara— Agunta, Meseret Hiwot and Tana Zuria—have honey production experience and are members of the Zenbaba FCU. (Table 3)



Table 4: Name of the honey groups and number of beneficiaries are depicted below.

Region	Woreda	Cooperative	# of Women	Remarks
Amhara	Dangla	Agunta	40	These three sub groups are organized under their respective coops
	Mecha	Meseret Hiwot	40	
	Tania Zuria	Tana Zuria	40	
Oromia	Bedele	Abdi Bori	20	These 5 groups stand by themselves as cooperatives and each have one apiary site in common
		Lelistu	20	
SNNPR	Enemor	Foyad Women Beekeeping PC	20	
		Mekana	20	
	Chena	Wareta	20	
Total			220	

Since 2014, AGP-AMDe project has supported 105 women beekeepers in Tigray, 120 in Amhara 60 in SNNP and 40 in Oromia Regions and delivered technical training including demonstrations and introduction of improved technologies and practices. The activity starter kit gives each member two to three modern hives, beekeeping attire, three kilograms of wax and provides the group with a beeswax molder, honey extractor and queen excluders. Each woman then commits to purchasing two more beehives. (Table 5)



During the handover event, government organizations participated and encouraged the project. In Ilu Ababora Zone, Abiy Seifu, Bedele Woreda Livestock Agency Head was the guest of honor. He also made sure the woreda would consider the women group as one of the key partners in the future and provide technical support.



Table 5: Type and quantity of beekeeping equipment distributed in the period.

Region	Coop	# of bee-keepers	Beekeeping Equipment								
			Hive	Bees wax (kg)	Chisel	Gloves	Overalls	Veil	Wax Molder	Honey extractor	queen excluder
Amhara	Agunta	40		360	40	40	40	40	2	2	120
	Meseret Hiwot	40		360	40	40	40	40	2	2	120
	Tana Zuria	40		360	40	40	40	40	2	2	120
Sub Total		120		1080	120	120	120	120	6	6	360
Oromia	Lelistu	20	40	120	20	20	20	20	1	1	40
	Abdi Boru	20	40	120	20	20	20	20	1	1	40
Sub Total		40	80	240	40	40	40	40	2	2	80
SNNPR	Mekana	20	40	120	20	20	20	20	1	1	40
	Foyad	20	40	120	20	20	20	20	1	1	40
	Warita	20	40	120	20	20	20	20	1	1	40
Sub Total		60	60	360	60	60	60	60	3	3	120
Total		220	560	1680	220	220	220	220	11	11	560

Forage Seeds and Seedling Distribution

AGP-AMDe in partnership with the Holeta Bee Research Center, provided over 3100 bee forage seedlings to five women honey cooperatives in SNNPR and Oromia. Seedlings include Bottle Brush, Lucerne trees and shrubs from the Danicium and Vernonia genus.

The seeds and the seedlings were planted at the cooperatives' apiary sites and are now in good condition.



Capacity Building

AGP-AMDe delivered technical and business management training to the honey women groups in all three regions. A total of 25 women, selected from the cooperatives, received business management and beekeeping training in SNNPR and Oromia, and all 220 women received beekeeping technical training.

In SNNPR, 15 women from three cooperatives—Foyad, Mekana and Warita PCs—attended the three day training, held in Welkite in August. The training covered leadership, marketing, record keeping and business development, and used the Sell More For More (SMFM) training approach. Similarly, two Illu Aba Bora Zone, Bedelle Woreda Women honey cooperative leaders took the same training in Bedele in August.

In the period, 40 honey cooperative members (1 male) from Oromia received technical training in Bedele. The training's theme is to equip members with the knowledge and skills to properly manage their hives and carry out semi-processing of the harvested honey. The training also includes: honey extraction, wax extraction from crude honey, wax preparation for modern beehives and preparation of by-products from honey residue for income generation.

In Amhara, AGP-AMDe in collaboration with Amhara Livestock Agency provided the honey technical training to 120 women in Dangla, Miecha Rime and Feres Woga in August and September.

Honey and Wax Marketing

Honey partner Beza Mar purchased 62 MT of crude honey between in the period from Illu Ababora (Oromia 37.5 MT) and Sheka (SNNPR 24.5 MT), worth \$147,214 USD—\$58,885 for SNNPR producers and \$88,329 for Oromia producers. Beza Mar exported 42 MT of honey to UK and Germany for a value of \$167,040 USD.



Investment and Financing

Zenbaba FCU partner, Parodi Apicultura (Parodi Group) opened its office in Addis Ababa on Friday August 7, 2015. Parodi matched investments with AGP-AMDe to purchase and install an industrial-sized honey homogenizer, a modern hot room and to refurbish Zenbaba Union's processing center. In addition, Parodi signed a MoU to purchase 500 MT of honey in the first year and increase that to 1000 MT in the following year. The first shipment of honey is expected to leave Ethiopia in November 2015.

Santiago Herrero, General Manager of the company, explained during the inauguration that he wants to stretch Parodi's reach all over the country and work in both honey and wax production and marketing. This is a good opportunity for bee keepers and organized coops, unions and private traders.



Honey Collection Centers

Tigray-based Hashenge FCU has progressed with the construction of its honey processing and collection, being built with an AGP-AMDe grant.

Construction progress is roughly 60%, and the FCU is currently waiting for the second payment to complete the warehouse.

Honey Activity Tracker (Gantt chart) July – September 2015

Activity Description	Indicator unit	Target	Q1 July to Sep 2015	
			Number	Achieved %
Capacity building				
Basic beekeeping training for 220 women (9 groups)	# of participant	220	220	100
Business Management and Leadership Training for 9 women groups	# of groups received	9	9	100
Distribute modern hives and bee keeping equipment for 220 women beekeepers	# of women received equipment	220	220	100

Maize Value Chain

Overview

AGP-AMDe and its AMSAP partner, Dupont Pioneer, focus on promoting the shift from low yielding, open pollinated local maize seed to improved high yielder hybrid maize varieties. Technology transfer is supported through demonstrations using lead farmers' plots where the program popularizes the seeds among visiting farmers and neighbors. In the quarter, over 2,600 smallholder farmers have visited demonstrations in Oromia and SNNPR. Demonstration plot field activities are supervised and coached by the respective village development agents under the existing MoA extension system.

In this quarter through the Advanced Maize Seed Adoption Program (AMSAP) new hybrid maize seed demonstrations continued. In the third, year (2014/15) hybrid maize seed demonstrations were expanded to 19 AGP woredas on 5,000 demo plots with selected lead farmers. A total 4,708 lead farmers also got Sale More For More training on good agricultural practices. All demo plots are planting Pioneer's Shona and Limu hybrid maize varieties.

Maize is Ethiopia's most important cereal in terms of land coverage and production share and is cultivated by 8.8 million smallholder farmers across 2.2 million hectares of land, which results in more than 6.5 million MT harvest. The existing national annual average yield of maize is 3.2 MT/ha. Farmers who used hybrid maize and other inputs have raised their yield above 5 MT/ha.

Ethiopia has not imported maize since 2008, yet neighboring countries import maize for consumption. The available regional market is an opportunity, but the high price of maize grain on the local market continues to make it challenging.

Summary of Quarter Results

- In July, US President Barrack Obama met several AMSAP beneficiaries including farmer Gifti Jemal Hussein, who began growing maize with hybrid seeds in 2012 under AMSAP.
- AMSAP planted new hybrid maize seed varieties on 1841 demonstration plots on smallholder farmers' farms. AGP-AMDe provides agricultural practices and pest management technical support at all stages of the growing crop.
- Provided technical support on maize quality for six FCUs that supply maize to the WFP's P4P program.
- In July, Sidama Elto FCU inaugurated its 5000 MT capacity output warehouse, which will be used mainly for maize aggregation and stocking. The warehouse was cofounded by AGP AMDe.
- In August, a delegation of U. S. Senators and government representatives visited DuPont Pioneer's seed conditioning plant and warehouse as part of a visit to key USAID program partners and sites in Ethiopia.

Key Activities

AMSAP

Before addressing the African Union in July 2015, US President Barrack Obama met several beneficiaries of US government development strategies and spoke to the press about Feed the Future. Obama met with Ethiopian farmer Gifti Jemal Hussein, who began growing maize with hybrid seeds in 2012 under AMSAP. Hussein was recruited back in 2012 as part of the first group of 320 farmers who received Pioneer hybrid maize seeds, fertilizer and training. She and the others will eventually become certified seed dealers as the program scales up seed demonstrations and awareness campaigns to reach more than 30,000 farmers before the end of 2016. After the first season, Hussein saw her maize yields more than double, and participating farmers averaged 7 metric tons per hectare compared to a typical yield of 2.5 metric tons per hectare in Ethiopia. Higher yields translate to more income, and stronger participating in the value chain, from processor to input supplier.



“With just a few smart interventions, a little bit of help, they can make huge improvements in their overall yields,” Obama said. The U.S. is historically the largest donor to Ethiopia, but Obama said the project’s goal is to work more intelligently in food systems, and not just to pour in more money. “We are also able to create new markets by adding food processing alongside production.”

As part of the same visit, AMSAP farmers from Decha Woreda in SNNPR exhibited their maize produce to a group of US Senators at a Feed the Future event organized in Addis Ababa. High-level visitors took the opportunity to appreciate AMSAP’s impact in transferring new seed technology and increasing maize production for Ethiopian farmers.

The delegation then visited DuPont Pioneer’s seed conditioning plant and warehouse, located outside of Addis Ababa. DuPont Pioneer—AGP-AMDe’s AMSAP partner—invested more than \$5 million in seed multiplication, awareness campaigns, seed demonstrations and the processing plant. On the site visit, Senators Chris Coons and Jeff Merkley, as well as the Vice President of the Overseas Private Investment Corporation, Judith Pryor, and USAID Ethiopia Mission Director, Dennis Weller, heard from DuPont Pioneer staff, seed dealers and farmers about their experience using hybrid maize seeds. In 2013, when DuPont Pioneer and USAID inaugurated the seed-conditioning plant and launched AMSAP, the company sold 4000 MT of hybrid seed and then nearly doubled sales in 2014. This year, the company sold out of its stock of 6000 MT of seed and expects the volume of seed sales to reach 10,000 MT in 2016.

In the period, a total 9 AMSAP field days took place in Oromia on AMSAP demo sites. A total of 1,625 people (119 women) attended the awareness events and observed the performance of advanced maize seed of the two varieties Shone and Limu. AGP-AMDe and partners held three farmer field days in SNNPR at Chenna, Decha & Shey Bench Woredas. A total of 935 (19 women) participants attended the events.

Market Linkage: World Food Program

In the previous season, all 14 FCUs from the three AGP regions delivered on their contracts with WFP without default. The total sale of all FCUs is worth approximately \$4.5 million USD. Due to the positive performance to meet deadlines in quality and quantity, eight FCUs have received an additional market opportunity and made contractual agreement with WFP to provide nearly 7000 MT of white maize at a price of \$236 USD per MT. The FCUs have reached 47% of the contract amount. (Table 6).

Table 6: Extended Grain Maize Supply progress in 2015 for WFP.

FCU	Contracted Amount (MT)	Unit Price (Birr per MT)	Supplied to date	
			MT	%
Amhara				
Merkeb	2250	4650	711	32
Admas	800	4650	800	100
Damot	1600	4590	43	3
Total	4650 MT		1554	33%
Oromia				
Gibe Dedesa	1000	4590	1000	100
Bure Bako	200	4660	-	-
Haragu	200	4590	200	100
Limu Innarea	500	4560	500	100
Liben	400	4960	-	-
Total	2300		1700	74%
Grand total	6950 MT		3254	47%

Maize Analysis

The efforts to transfer hybrid maize seed technology has resulted in an increased demand for hybrid maize varieties. If the supply of improved hybrid maize seed is aligned with maize seed planting, farmers will be encouraged to search for and purchase seed in subsequent seasons. These farmers will then have the opportunity for higher yields and a maize supply that goes beyond the local market absorption capacity. Improved seed availability and timely supply are essential. The private seed companies supported during the BH-66I popularization campaign in Amhara helped create a situation in which over 1300 MT of certified seed were available within two years. The experience of popularizing hybrid maize seed technology on lead farmer plots in partnership with private seed companies is thus far the fastest way to disseminate new seed varieties among a large population of farmers.

Low productivity remains the main reason for high prices. The market price of Ethiopian maize is still higher than the regional market price, drastically reducing the competitiveness of Ethiopian maize. Only higher yields can increase supply and lower prices to compete on international markets. The opportunities in neighboring countries has convinced the government to lift maize export ban.

The objectives of the program's maize value chain activities are to increase the volume of maize supply as well as to link farmer cooperatives to agro processing and marketing channels. Program interventions concentrate on white maize varieties while other maize varieties like sweet corn are ignored. , etc for agro processing are almost none.

Maize VC Key Events from July to September 2015

Date	Name of Event	Location	# of Participants			AMDe Attending	Name of Partner Organizations
Amhara			M	F	Total		
July 02-12/15	AMSAP Green Maize Demo site visit	Alefa, Bure, Jabi Dangila, Guangua S/Achefer N/Achefer	36	2	38	Yohannes and Sahle	DU PONT Pioneer , Woreda Agricultural office and targeted farmers
Oromia							
17/09/15	Farmers field day	Boneya Boshe	229	207	22	Shemsu, Desalegn	Boneya Boshe WAO
18/09/15	Farmers field day	Wayu Tukka	135	120	15	Shemsu, Desalegn	Wayu Tukka WAO
19/09/15	Farmers field day	Digga	111	103	8	Shemsu, Desalegn	Digga WAO
21/09/15	Farmers field day	Chora	173	143	30	Shemsu, Desalegn	Chora WAO
05-10/09/15	Farmers field day	Guto Digga	977	933	44	Shemsu, Desalegn	Guto Digga WAO
	Total		1506	119	1625		
SNNPR							
07/07/15	Sidama Elto FCU Warehouse inauguration	Hawassa				Tadele Gelan, Berhanu Asfaw, Simayehu Tafesse, Bizayehu	Sidam-Elito FCU, SNNPR- zonal marketing & coop bureau
27/07/15	Co-Del visit by U.S. senators at AMSAP maize display	Addis Ababa				Tadele Gelan, Simayehu Tafesse	ATA,MOA, USAID
11/08/15	Farmers field day	Chena	371	4	375	Alemayehu, Simayehu, Birhanu, Tadele ,Yohannes	Chena WAO,AGP-CU,,BOA,Kebele 's Adm.
12/08/15	Farmers field day	Shey Bench	327	12	339	Alemayehu, Simayehu, Birhanu, Tadele ,Yohannes	Shey-Bench WAO,AGP-CU,BOA,Kebele 's Adm.
13/08/15	Farmers field day	Decha	218	3	221	Alemayehu, Simayehu, Birhanu, Tadele ,Yohannes	Decha WAO,AGP-CU,,BOA,Kebele 's Adm.
Total			916	19	935		

Partners and Interventions for the period July to September 2015

Partners	Location (Woreda, Region)	Interventions during the quarter	Explain observed major results
Amhara			
Merkeb FCU	Bahir Dar	Grain maize delivery	Commitments of WFP white maize supplied on time without default
Admas FCU	Injibara town	Grain maize delivery	Commitments of WFP white maize supplied on time without default
Damot FCU	Bure town	Grain maize delivery	Commitments of WFP white maize supplied on time without default
Gozamen FCU	Debre Markos	Grain maize delivery	Commitments of WFP white maize supplied on time without default
Yimam Tesema sss	Womberma	Certified BH-66I HB maize Seed sales.	1620 Qt of certified seed supplied
Bayih General plc	Bure – Zuria	Certified BH-66I HB maize Seed sales.	342 Qt of certified seed supplied
Avallo RD Plc	Ankesha	Certified BH-66I HB maize Seed sales.	643 Qt of certified seed supplied
Nile	Womberma	Certified BH-66I HB maize Seed sales.	4009.32 Qt of certified seed supplied
Oromia			
Limu Inaria FCU	Limmu Sekka	Grain maize delivery	Commitments of WFP white maize supplied on time without default
Gibe Dhidhessa FCU	Nekemte	Grain maize delivery	Commitments of WFP white maize supplied on time without default
Ambo FCU	Ambo	Grain maize delivery	Commitments of WFP white maize supplied on time without default
Bore Bako FCU	Bakko	Grain maize delivery	Commitments of WFP white maize supplied on time without default
Haragu FCU	Gudru	Grain maize delivery	Commitments of WFP white maize supplied on time without default
Liben FCU	Weliso	Grain maize delivery	Commitments of WFP white maize supplied on time without default
Gomma WAO	Gomma	Demo seed supply & planting	263 lead farmers planted AMSAP demo seeds
Chora WAO	Chora	Demo seed supply & planting	263 lead farmers planted AMSAP demo seeds
T. Kutaye WAO	T. Kutaye	Demo seed supply & planting	263 lead farmers planted AMSAP demo seeds
B. Boshe WAO	B. Boshe	Demo seed supply & planting	263 lead farmers planted AMSAP demo seeds
Digga WAO	Digga	Demo seed supply & planting	263 lead farmers planted AMSAP demo seeds
W. Tuka,	W. Tukka	Demo seed supply & planting	263 lead farmers planted AMSAP demo seeds
G. Gidda	G. Gidda	Demo seed supply & planting	263 lead farmers planted AMSAP demo seeds

SNNPR			
Sidama Elto union	SNNPR/Hawassa	Grain maize delivery	Commitments of WFP white maize supplied on time without default
Admas Union	SNNPR/Welkite	Grain maize delivery	Commitments of WFP white maize supplied on time without default
Oysa Dawro union	SNNPR/Tercha	Grain maize delivery	Commitments of WFP white maize supplied on time without default
South Omo Union	SNNPR/Jinka	Grain maize delivery	Commitments of WFP white maize supplied on time without default
Sidama Elto union	SNNPR/Hawassa	Grain maize delivery	Commitments of WFP white maize supplied on time without default

Upcoming Key Events for October to December 2015

Date	Name of Event	Location	Organizing body	
			Responsible staff	Contact
October 2015	AMSAP field days	Amhara	Sahle Derbe	0918215595
October 2015	AMSAP field days	Oromia	Shemsu Bayisa	0911148028
October 2015	AMSAP field days	Yem & Ennermor Woredas	Alemayehu/Simayehu	0913363323 / 0911732688

Maize Activity Tracker (Gantt chart) July – September 2015

Activity Description	Activity Indicator and Unit of Measure	Q I July to September, 2015		
		Target	Number	Achieved %
Market promotion and linkages				
Facilitate and follow up forward purchasing contracts and delivery to WFP using CBE financing under P4P	16,800 MT maize purchased/sold	14	14	100
New technologies and management practices				
Provision of AMSAP demo pioneer hybrid seeds to 5000 lead farmers	# lead farmers	5000	5000	100
Capacity building				
Reorientation workshop on AMSAP		132	132	100
Training of maize dealers for AMSAP		25	25	100
TOT for AMSAP implementation		532	532	100
Cascading GAP training for selected lead farmers	# farmers trained in 19 woredas	5000	4,708	94.16
Blended fertilizer utilization training	# DAs	532	532	100

Wheat Value Chain

Overview

The government of Ethiopia gives due attention to improve the agronomic practices of wheat farmers and thus the productivity of wheat. The MoA agricultural extension system provides training to farmers in improved agricultural practices like row planting. Programs like AGP-AMDe supplement these services by opening and widening the availability of newly released highly productive seed varieties and linking farmer unions with new market channels.

AGP-AMDe goals for the wheat value chain remain focused on replacing the large quantity of imports that are required annually to meet the increasing demand for wheat products in the country. The strategy primarily aims at stimulating farmer cooperatives, agribusinesses, traders and processors within the value chain to be able to work collaboratively, effectively respond to market signals and become more productive and competitive in order to capture the profit opportunities that can be exploited in the possible shift of the prevailing import to domestic sourcing.

Summary of Quarter Results

Delivered two tractors to two seed producing primary cooperatives Wirtu Kechema and Biftu.

Key Activities

Seed Multiplication

In Oromia, AGP-AMDe facilitated land preparation of 339 hectares for wheat seed multiplication for 228 member farmers from three PCs. The multiplied wheat seed will assist those farmers now facing seed shortages. (Table 7)

Table 7: Land ploughed by seed producing cooperatives in Q1 FY16.

Name PCs	Woreda	Total land prepared (ha)	# of farmers benefited
Wirtu Kechema	Dodola	181.5	91
Biftu	Lume	85	70
Dureti Tulu	Sinana	73.5	67
Total		339	228



AGP-AMDe delivered two tractors, which have been in the procurement process for many months, to two seed producing primary cooperatives Wirtu Kechema and Biftu.

Market Linkage

In Amhara, four FCUs—Damot, Ghion, Merkeb and Gozamen—reported purchases of 473.3 MT of wheat grain from member primary cooperatives for a total price of \$40 USD per 100 kg for a total of \$212,000 USD. Of the total quantity, the unions sold 18.5 MT of wheat to private processors and traders and milled the remaining 455 MT on their own.

Wheat Analysis

The domestic price of wheat in the current time is relatively attractive to the producer farmers and private farms which encourage farmers to produce more and supply to the market and industry in higher volume in the coming years. This is an opportunity business for domestic wheat producers and processors too. Annual physical and financial plan is still not approved, then we can't plan the activities in each month.

Wheat VC Key Events from July to September 2015

Date	Name of Event	Location	Value Chain	# of Partic.	AMDe Staff	Partner Orgs
August 18, 2015	Discussions with Oromia Coop promotion office and four PCs	Addis Ababa	Wheat	11	Regional Manager Inputs, Grants	Govt., PCs

Wheat VC Upcoming Events

Date	Event	Location
Oct. 24-25, 2015	Handover workshop for FCUs, Government and private sector partners	Adama
Dec. 6-7, 2015	Market linkage for Galema, Agarfa Kajawa, Sekomendo PCs with Lume Adama FCU	Adama
Dec. 21, 2015	Market linkage of wheat producer FCUs—Robi Berga, Liben, Haragu Chefe Buluki FCU—with Ambo Flour Factory	Ambo

Wheat Activity Tracker (Gantt chart) July – September 2015

Activity Description	Indicator and Unit	Q 1 July to September 2015			Reason for Variance
		Target	Achieved		
			Number	%	
Market promotion and linkages					
Provide Technical Assistance to for Market Linkage of 10,000 MT (4000+4000+1000+1000) EGTE, FCUs owing Milling plants	MT	2000	473	23.1	To be completed till January b/c harvesting season not yet completed
Provide technical assistance and TOT for the continuation of CRS system in the two FCUs (Gozamin and Damot) woredas and work out with the woreda Cooperative offices to hand over the activity sustainably	# of Visits	1			Not approved

Input Supply

Overview

AGP-AMDe objectives are aligned with the commercialization of agricultural inputs. The role of these inputs such as fertilizers, crop protection products and improved seeds are crucial in enhancing agricultural productivity. However, the supply and utilization of agricultural inputs by small scale farmers in Ethiopia is minimal. In recognition of gaps in input usage, AGP-AMDe has considered soil fertility analysis, fertilizer technologies (blended and urea briquettes) demonstration, multiplication of seeds of improved crop varieties and enhancing agricultural input marketing as activity focus areas towards achieving project objectives. AGP-AMDe carries out agricultural input activities in AGP woredas in the four target regions.

Key Activities

Blended Fertilizer

The Government of Ethiopia, World Bank and AGP-AMDe have collaborated to erect five fertilizer blending factories throughout Ethiopia, each in a strategic location serving a large population of farmers in Tigray, Amhara, SNNPR and Oromia.

In support of the fertilizer blending initiative, USAID AGP-AMDe installed the first fertilizer blending plant at the Becho Woliso FCU in Oromia, and over the last six months, another four plants were installed at Gibe Didessa FCU in Nekemte, Oromia; Merkeb FCU in Bahir Dar, Amhara; and Enderta FCU in Mekele, Tigray. A fifth plant, owned by Melik FCU in Worabe, SNNPR, will go online in the following quarter.

The following tables outline the production and distribution of blended fertilizers since the launch of the five factories as well as jobs created as a result thereof. (Tables 8 & 9).

Table 8: Production and Distribution of Blended Fertilizer by 5 FCUs during 2015 Production Season

FCU	Quantity Produced (MT)	Quantity Distributed (MT)	Value (Birr)	Remaining (MT)	Area w/ Blended Fertilizer (ha)	Benefited # of farmers	
						M	F
Merkeb	463.25	429.1	6,173,344.66	34.15	4,291	3433	858
Gibe Didessa	387.25	180.65	2,751,291.50	206.6	1,806.5	1445	361
Enderta	78.75	78.75	1,151,086.88	0	787.5	630	158
Melik	20	0	0	0	-	-	
Becho Woliso	28,268.50	28,268.50	387,096,380.00	0	282,685	226148	56,537
Total	29,217.75	28,957	397,172,103	240.75	289,570	231,656	57,914

Table 9: Jobs created as a result of fertilizer blending facilities by region and FCUs

No	FCU	Male	Female	Total
I	Merkeb	20	0	20

2	Gibe Didessa	52	3	55
3	Enderta	44	8	52
4	Melik	4	0	4
5	Becho Woliso	266	-	266
Total		386	11	397

Seed Multiplication

Wheat Seed Multiplication Data Collection

Last year, AGP-AMDe granted 30 MT of Kekeba variety of wheat seed to the following four Oromia-based cooperatives: Agarfa-Kejewa, Duretti-Tullu, Wirtu Kechemma; and granted 30 MT of Kekeba seed to SNNPR-based Edget FCU. In the period, the resulting seed was collected and redistributed to member farmers in their respective woredas. Information has been collected from each coop and organized as follow and includes Tables 10 and 11 below.

Wheat

- Duretti Tullu Seed Producer and Marketing Coop purchased 9.8 MT of Hidase variety wheat seed from the Ethiopian Seed Enterprise and distributed to 64 farmers for the current cropping season.
- Hidase wheat variety, which is supposed to be rust-resistant was planted on 65 hectares of land in Welte'i Kebele, Sinana woreda in SNNPR.
- Wirtu Kechemma Seed Producer and Marketing Coop distributed 7.5 MT of CI Kekeba seed to 50 farmers, which will cover 50 hectare of land.
- Agarfa-Kejewa FCU collected 7.5 MT of Kekeba wheat seed and redistributed to members.
- Siko-Mendo FCU purchased 17.8 MT of basic seed (8 MT Pavon and 9.8 MT Kekeba) to plant on 89 hectares of land using the basic seed grant from the program.
- Edget FCU collected 181 MT (173 MT pure seed) from PCs. A remaining uncollected 292 MT of seed is expected to be distributed from farmer to farmer in the coming months.

Chickpea

- Liben FCU collected 6.4 MT of Arerti chickpea seed and redistributed to 128 farmers.
- Biftu Seed Producer and Marketing Coop collected 9 MT of Arerti chickpea seed and purchased an additional 68 MT of seed of the same variety from members. The coop then sold 77 MT of CI Arerti seed to Lume-Adama FCU, who distributed to other woredas in its member network.
- Biftu PC purchased 7.5 MT of Arerti seed from the Ethiopian Seed Enterprise and distributed to 63 members using the money from original 9 MT of Arerti seed, which was sold to Lume-Adama FCU.
- Erer FCU redistributed 6.6 MT of Arerti seed to farmers.

Sesame Seed

- AGP-AMDe facilitated the purchase of 10 MT of basic seed, which was distributed to seed growers in Basketo special woreda in SNNPR for multiplication. SNNPR has a favourable agro-ecology for sesame production, and access to seed is one of the major constraints for production.

Table 10: Data Summary of Revolved Wheat Seed Multiplication Performance by Region and Results.

No	Region	Coop Name	Type of seed	Qnt seed grante d (Qt)	# of farmers		Total Area (Ha)	Yield (qt/ha)	Total yield (Qt)	Cleaned Seed (Recover y 90%)	Grain Area to be covered (ha)	Grain yield (Qt/h a)	Expected Grain Yield
					M	F							
1	Oromia	A.Kejewa	Kekeba	75	22	4	50	40	2,000	1,800	1,200	40	48,000
2		W.Kechem a	Kekeba	75	35	5	50	40	2,000	1,800	1,200	40	48,000
3		D. Tullu	Hidase	98	57	7	65	40	2,600	2,340	1,560	40	62,400
4		Ife Beri	Kekeba	75	62	17	50	40	2,000	1,800	1,200	40	48,000
5		S. Mendo	Pavon and kekeba	176			89	40	3,560	3,204	2,136	40	85,440
S/Total				499	176	33	304		12,160	10,944	7,296		291,840
1	SNNPR	Edget	kekeba	4,733	4,417	1,893	3,155	40	126,213	113,592	75,728	40	3,029,120
S/Total				4,733	4,417	1,893	3,155		126,213	113,592	75,728		3,029,120
Total				5,232	4,593	1,926	3,459	-	138,373	124,536	83,024	-	3,320,960
1	SNNPR	Basketo	Sesame	100	1,999	857	1,428	6	8,568	7711.2	110,160	6	660,960
Total				100	1,999	857	1,428		8,568	7,711	110,160		660,960

Table 11: Data Summary of Revolved chickpea Seed Multiplication Performance of Seed Grantees Coop in Oromia

No	Coop Name	Type of seed	Quantity of seed granted (Qt)	# of farmers		Total Area (Ha)	Productivity (Qt/ha)	Total yield (Qt)	Cleaned Seed (Recovery 90%)	Grain Area to be covered (ha)	Grain yield (Qt/ha)	Expected Grain Yield (qt)
				M	F							
1	Biftu PC	Arerti	75	59	4	75	35	2,625.00	2,362.50	1969	35	68,906.25
2	Erer	Arerti	66.32	101	4	66.25	35	2,318.75	2,086.88	1739	35	60,867.19
3	Liben	Arerti	64	120	8	64	35	2,240.00	2,016.00	1680	35	58,800.00
Total			205.32	280	16	205.25	105	7,183.75	6,465.38	5387.81	105	188,573.44

Scaling up maize BH-661

Due to successful popularization activities carried out around BH-661 hybrid maize variety, the demand for this seed has increased significantly, and based on this, around 82 MT of seed was distributed among the woredas in Amhara, where the campaign took place. The Ethiopian Seed Enterprise covered around 72% of the demand.

AGP-AMDe assisted Melik Silte FCU to recruit appropriate experts for the union's blended fertilizer factory. The factory is ready to blend different types of fertilizers as per recommendations made by the MoA and ATA.

Jimma Agriculture Research Center Visit

AGP-AMDe funded the improvements of the seed laboratory facility at the Jimma Agricultural Research Center to enhance seed quality and productivity, especially around coffee trees and seedlings. AGP-AMDe's technical team visited the seed lab in the period to follow up on the facilities and their operation. Due to the seasonality of coffee seed activities, the laboratory is not yet operational.

The operational training that was given to two experts from Assela has not been cascaded to technical assistant who operate the lab facilities on a daily basis, according to Mrs Melekam, the seed lab head. This presents a gap in technology transfer to front desk operators. Additionally, there is a limit of space within the lab itself, since all seed lab facilities have been confined in one room.

AGP-AMDe has made recommendations to create more work space for lab technicians and equipment or change rooms altogether. The program also recommended to carry out exercises with all the facilities and transfer technical knowledge to lab technicians while the training memory is still fresh.

AGP-AMDe experts gave a refresher course on the non-destructive method of coffee seed germination testing and made a commitment to the center to provide them with silica gel as soon as possible in order to use the germination facility correctly.

Partner Interventions for the period July to September 2015

Partner	Location	Intervention	Explain observed major results
Duretti Tull Coop	Sinana	Wheat seed multiplication data collection	Duretti Tullu Seed Producer and Marketing Cooperative produced 1124 quintal of wheat seed from granted 75 quintal Kekeba wheat varieties
Ife Beri Coop	Dendi	Wheat seed multiplication data collection	Ife Beri Seed Producer and Marketing Cooperative produced 659.5 quintal of wheat/kekeba seed.
Liben FCU	Woliso	chickpea seed multiplication data collection	Liben FCU produced 613.4 quintal of chickpea seed from the granted 80 quintal Arerti chickpea variety
Erer FCU	Adea	Chickpea seed multiplication data collection	Erer FCU produced 2582 quintal seed of chickpea/arerti variety.
Lume Adama FCU	Lume	Chickpea seed multiplication data collection	Lume Adama FCU produced 1,460 quintal of chickpea/arerti seed from the granted seed
Edget FCU	Buta Jira	Wheat seed multiplication data collection	1814 quintal of seed of Kekeba variety was collected and redistributed
Becho Weliso FCU	Becho	Blended Fertilizer production and marketing	28,268.50 tons of blended fertilizer production and marketing
Gibe Dhidhessa	Nekemte	Blended Fertilizer production and marketing	387.25 tons of blended fertilizer production and marketing
Merkeb	Bahir Dar	Blended Fertilizer production and marketing	463.23 tons of blended fertilizer production and marketing
Enderta FCU	Mekele	Blended Fertilizer production and marketing	78.25 tons of blended fertilizer production and marketing
Melik FCU	Silte	Blended Fertilizer production and marketing	20 tons of blended fertilizer production

Component II: Access to Finance and Investment

Access to Finance

Overview

In Access to Finance, AGP-AMDe is shifting its focus from trainings to materials development and coaching partners who have shown both aptitude and motivation to plan, apply, and repay bank loans. We will also look to strengthen current relationships between FCUs and SACCOs, while attempting to entice new commercial banks in providing financial services to underserved populations.

Drawing on the AGP-AMDe's overall objective, the Access to Finance component seeks to address the systemic constraints through the following strategies:

- Create strong and lasting linkages between agricultural and financial sector actors to secure working capital and investment loan facilities.
- Improve financial management capacity of agricultural actors
- Promote the expansion of leasing services leveraging the USAID DCA program
- Expand access to and knowledge of fundamental accounting and business management skills and software.
- Develop and distribute reference manuals with easy-to-understand loan application and business plan development templates.

Summary of Quarter Results

- Followed up on the grant approval process of Edget Le Robit and Werebo Baleweld Rural SACCOs in Amhara and SNNP regions.
- Dashen Bank dispersed a loan worth approximately \$240,000 to Bench Maji Forest Coffee FCU for coffee exporting.
- Reviewed bankable business proposals and provided letters of recommendation for four new companies

Key Activities

Savings and Credit Cooperatives

AGP-AMDe followed up on the grant approval process of Edget Le Robit and Werebo Baleweld Rural SACCOs in Amhara and SNNP regions. The objective of this grant is to improve the capacity of the SACCOs to provide better financial services to member smallholder farmers thereby improving their ability to serve their constituents. The grant will provide IT equipment and furniture as well as training the SACCOs' staff on accounting and financial management.

Development Credit Authority

AGP-AMDe supported Bench Maji Forest Coffee FCU in securing working capital loan for coffee export. The program linked the FCU to Dashen Bank through the Development Credit Authority (DCA) program,

and the FCU secured nearly \$240,000 USD (4.95 million birr) in loans. The FCU continues to negotiate the loan with the bank in pursuit of a larger loan.

Four companies, Organic Coffee, Sefanit Pineapple Production, Elsa Honey Processing and Abol Coffee Roasters, brought their project proposal to be considered in the DCA program and their business plans reviewed and feedbacks provided. Three of them are still working on to incorporate the comments on the business plan and only one of them, Abol Coffee Roasters, was deemed qualified and has got the support letter written to Zemen Bank.

Analysis

SACCO development program

The performance of rural financial cooperatives in the mobilization of savings and provision of credit has been very weak in the past. Realizing this, AGP-AMD has developed a strategy to support the rural SACCOs in increasing access to financial services to smallholder farmers. To this effect, Embaba Haya Saving and Credit cooperative is chosen as a model and center of excellence for AGP AMD's SACCO development program. The SACCO found, in southern zone of Tigray region was established in 2003. With technical and financial support from AGP AMD like, office professionalization and service upgrade support to make them look like a modern bank and standard accounting and software based financial management which enables them to have modern and up-to-date financial data recordings and reporting systems. The contents include how to encode and insert data in to the software, how to produce financial reports SACCO manager, accountants and cashiers.

Afterwards Embaba Haya has demonstrated remarkable achievements in membership growth, women participation, loan disbursement, new financial product development, accessing loanable fund and preventing prodigal spending on social events.

This vividly demonstrates, with relatively smaller support in new technological advances, Saving and Credit Cooperatives (SACCOs) can start to play an important role in rural areas of Ethiopia in terms of outreach, volume of operation, and the purpose they serve.

Thanks to Embaba Haya SACCO, their efficient utilization of the support has resulted in greater access to finance, higher profitability and increased financial services for the people of southern Tigray. This was witnessed by higher official from the region including the President and his Cabinet members

Learning from the huge success and visibility at Embaba Haya, AGP AMD decided to expand this program to Amhara and SNNP regions and selected one rural SACCO per region. To this end Edget Le Robit and Werebo Baleweld rural SACCOs are selected in Amhara and SNNP regions respectively.

Looking at both SACCOS in detail, Edget le Robit Rural SACCO was established in 2004 with a total of 62 members (62 male and 0 female) in West Gojjam zone of Amhara regional State, Bahir Dar Zuria Woreda, Robit Bata kebele. At the time of its establishment the amount of saving was 10 birr/member with a total startup capital of birr 4,340, which was members' share contribution 3,720 Birr, and member's registration fee of 620. Currently the existing number of members has grown to 1,045 total membership of which 241 (24%) are female members, this rural SACCO able to mobilize 46.7% of the potential members residing in the kebele. As per the internal audited financial statement of September 2014 the rural SACCO has shown outstanding performances of mobilizing 7,327,741 birr in total asset. So far, the

primary Rural SACCOs provide 14,721,055 Birr loan service to members of which 181 (18.6%) women members were beneficial. The Rural SACCO has started to provide savings service for children, able to mobilize 33 kids with 24,787 Birr, this saving service is called Vision Saving for next generation. While Worebo Balewold Rural Saving and Credit cooperative (RuSACCO) was established in 2005 with a total of 15 women members in Gurage Zone of SNNP regional State, Sodo Woreda, Worebo kebele. At the time of its establishment the amount of saving was 12.5 birr/member with a total startup capital of Birr 4,705, which was members' share contribution 300 Birr, and member's registration fee of 45 birr. And then it got merged with the other SACCO in the kebele established by men and formed the current SACCO. Currently the existing number of members has grown to 195 total membership of which 94 (48.2%) are female members, this rural SACCO able to mobilize 27.6% of the potential members residing in the kebele.

In order to deliver a standard bankable service and attract more savings from the community for lending service expansion in the near future exhibiting tangible security, pleasant and creating personalized image in the public, insure proper risk management structure is crucial. Hence, Both Rural SACCOs request grant support from the USAID AGP-AMDe grant scheme as investment enhancement fund worth a total cost of 20,114 USD for each SACCOs, for office facilities, standard accounting and modern financial management training and IT equipment.

Now the grant is already approved and the procurement process is expected to be completed soon. The whole idea is to show how rural SACCOs can provide a much better and professional service with small but strategic investment and this can be replicated to other similar rural SACCOs.

Output Financing

In the past four years, AGP AMD in its access to finance component has done a lot in supporting value chain actors and commercial bank to make finance available for agribusiness in the project area. The support ranges from full-packaged training on planning ahead per the harvesting cycle of each commodity, financial management, business plan development for working capital loan, output marketing plan and analysis, pricing strategy, to on-spot, one-on-one coaching to linkage with commercial banks to assisting them in any challenges they face related to access to finance. As a result there is no FCU that works with AGP AMDe that is incapable of developing a business plan and preparing the necessary documentation to apply for bank loan. Most of our partner FCU accessed bank loan for the first time in their history.

The banks misperception about the bankability of FCUs in general i.e. their ability to administer, utilize and repay bank the loan is now changed and FCUs are treated on case by case basis. Even relatively smaller and weaker FCUs are getting bank loans as an intervention of AGP AMDe technically backing up the FCUs. And the number of banks that shows interest to lend to FCUs is increasing from time to time.

Despite the achievements, there are still issues that can be taken as a concern for sustainable as there is lack of proactive and strategic thinking and action from FCUs' board of directors and staff, especially managers on improving their businesses. Some of them couldn't develop their business plan and apply for bank loan on time, rather they prefer to go to the bank at the last minute. In some cases like Selam and Metema FCUs in Amhara, due to lack of prompt decision making in the market they are increasingly

becoming incapable of repaying back their loan on time. In the case of Selam, even though the FCU earned over 100 million birr loan for sesame export business from commercial bank of Ethiopia over the past three years, all the loans were not given based on the FCU's bankability rather because of the regional government's undertaking letter written to the bank which served as collateral for any loan potential defaulted. Two years ago they took 20 million birr from CBE for sesame export but due to credit management problem and interference from government, they were forced to take additional 3 million birr loan from Abay bank for the same purpose. Last year, they took another 60 million birr from CBE and partly they used the loan to repay back the Abay bank loan which is wrong and illegal. Now the FCU is unable to repay bank 14.8 million birr in Non-Performing Loan (NPL) due to plummeted sesame price, diverted use of the loan and high operating cost. And they are trying to repay back the loan by taking more loan from Abay bank in the amount of 30 million birr. This is a downward spiral movement which does not seem to stop soon as there are no viable ways of repaying back the Abay bank loan except taking more loan from CBE.

The worst consequence of this process is that as the FCU is not honest and transparent with the banks, they will end up in the black list of every commercial bank in the country and unable to do their business any longer. The same is true for Metema FCU except their NPL loan amounts is 6.6 million birr out of the 40 million they took from CBE. And they are taking 7 million birr loan from Abay bank to repay back the CBE loan so that they can be illegible to take more loan from CBE for this year. After a thorough analysis on their past financial statements and discussion with the relevant bodies the following remedies are forwarded and agreed up on with both FCUs; board of directors and management staff.

There exists high rate of expenses as compared to revenues. This can be easily justified by the extremely low ratio on both assets and equity. So the FCUs need to consider using cost effective purchasing mechanisms, controlling and reducing overhead cost, and managing sales related expenses, like transportation, interest expense, in a more professional way.

The above problem was exacerbated by lack of adequate and skilled manpower, so the FCUs has to make sure that the required human resource in place for a faster and smarter handling of the day to day business transaction. The other serious problem is that the FCUs do not have the practice of developing their own financial statements rather this is done only once in a year when the union gets its annual audit. This creates problems as the leaders of the unions like the board of directors and the management will be blind-folded about the financial position of their institution which in turn means decisions are passed haphazardly without adequate and clear information. So the practice of producing internal financial statements i.e. income statement and balance sheet every month or at least every quarter. This will help the leaders to pass informed decision and deliver to the lenders in the absence of latest audited financial statements or whenever required.

The other reason that has nothing to do with the FCUs; financial management per se is the time coverage of the audit report, which is supposed to be in line with the fiscal year of the unions' as stipulated in the bylaw, so that it could help the analysts to have consistent figures. However, the auditors can arrive anytime in the union and do the audit from where they stopped the previous year and cover all the way until they finish the current year's audit, they usually cover more than one year (looking at the last three audited reports they cover a time period of 1.8, 1.5 and 1.3 years respectively). This gives a wrong message

to the lenders that they question the union's financial management system. So the FCUs need to sort this out with the help of the regional and zonal cooperatives promotion offices.

When debt financing is not an option or even when loan is secured, as a long term strategy the FCUs need to raise funds from internal sources which is always the best way as it reduces dependency on external finance.

When we look at the amount of shares collected, they have value equal to 2.2 million birr and 764,000 birr for Selam and Metema FCUs respectively, which is very low by any standard. This shows the huge potential for increment both in the number of shares as well as the value. Another strategy proposed is using idle cash of member primary cooperatives in the form of loan and clear out the warehouse loan with the amount of 2.4 and 2.2 million birr for Selam and Metema respectively, then use the warehouse as a collateral to leverage the loan required for their marketing.

Upcoming Key Events for July – September 2015

Date	Name of Event	Location	Sector	Organizing body	
				Responsible staff	Contact address
Nov 7, 2015	SACCO support inauguration	Werebo Baleweld SACCO, Sodo Wereda	Access to Finance	Belete Lemma Ephrem Tesfaye	etesfaye@acdivocath.org
TBD	SACCO support inauguration	Edget Le Robit SACCO, Robit Bata Kebele	Access to finance	Demeke Mekuria, Ephrem Tesfaye	etesfaye@acdivocath.org

Key Partners and Interventions for July - September 2015

Partners	Location (Woreda, Region)	Interventions during the quarter	Explain observed major results
Edget Le Robit SACCO	Bahir Dar Zuria, Amhara	Grant support	Office refurbished, additional staff hired
Werebo Baleweld SACCO	Sodo Wereda, SNNP	Grant support	New office built, additional staff hired
Selam FCU	Tach Armachiho, Amhara	Output financing technical support	Relationship restored after discussion with CBE Gonder district
Metema FCU	Metema, Amhara	Output financing technical support	Ways discussed on how to repay overdue loan

Access to Finance Activity Tracker (Gantt Chart)

Activity #	Activity Description	Indicator and Unit	Y5 Target	Q 1 - July - Sept. 2015			Cumulative up to this quarter		
				Target	Achieved				
					Number	%	Number	%	
I	Market promotion and linkages								
1.1	Workshop on creating sustainable relationship between commercial banks and FCUs.	No of participants	118	118	0				
1.2	Linking SACCOs with CBO to access loanable funds and technical assistance.	No of SACCOs	18	14	0				
2	New technologies and management practices								
2.1	Peachtree Accounting Software installation training and reference document distribution to FCU staff and RCA auditors.	No of FCUs	12	12	0				
2.2	Peachtree Accounting Software installation training and reference document distribution to SACCO union staff and RCA auditors.	No of SACCOs	3	3	0				
2.3	Install and train primary SACCO staff in "Profit Planner" software for loan application and repayment analysis.	No of SACCOs	4	4	0				

2.4	SACCO professionalization and service upgrade support.	No of SACCOs	3	3	0				
3	Capacity building								
3.1	Develop and distribute Operation Manuals to FCUs on Financial Management, Business Plan Development, and Bank Loan Application Package Documentation in three languages.	No of Manuals	1	1	0				
3.2	Provide coaching service to FCUs on bank loan applications, loan repayment plans, and financial management.	No of FCUs	35	6	0				

Investment



In the period, members of the Impact Angel Network (IAN) and another U.S. investment group announced an investment worth an undisclosed value in Krotaj Tahini, a tahini manufacturing and exporting company based in Addis Ababa, Ethiopia. The Ethiopian, Israeli and American investors participating in the deal anticipate that over the next five years, the tahini company will support over 10,000 small farmers, strengthen the sesame industry in Ethiopia, generate \$32 million in export sales and create more than 60 jobs in the manufacturing sector.

This is the IAN's fourth investment in Ethiopia and fifth investment in East Africa since 2013.

Dr. Mulugeta Kidanemariam will manage the tahini company's Ethiopian operations, said "We are confident that this partnership will benefit our employees, our investors and international buyers who are seeking high-quality Humera tahini. We believe this investment will encourage more foreign investors to be involved in agro-processing in Ethiopia."

Tahini is a paste made from ground sesame seeds used primarily in North African, Greek, Turkish and Middle Eastern foods. Demand for tahini has risen in the last 10 years as the popularity of hummus has grown in the U.S. Retail sales of hummus increased to \$250 million in 2013, up from \$192 million in 2007 and just \$5 million in 1997.

Component III: Improving Agribusiness Enabling Environment

Overview

The enabling environment component compliments value chain specific and cross cutting activities by advancing policy priorities which increase competitiveness in support of the Growth and Transformation Plan's targets for agricultural growth, and Government of Ethiopia policy commitments under the New Alliance for Food Security and Nutrition.

The goal of the enabling environment component is to increase competitiveness through the following actions: increased private sector participation; reduction of output market distortions; improved access to agricultural finance and promotion of investments; increased efficiencies in transportation and logistics; strengthen the institutional structure for policy review and implementation; and greater public and private sector engagement in relevant value chain policy reviews.

The critical first step in policy change in Ethiopia is changing the mindset of major stakeholders in the policy making matrix. The Government does not welcome outside intrusion into the policy determining processes, but is interested in international experience relevant to Ethiopia. Through informal consultations and conferences AGP-AMDe has been successful in providing the basis for evolution of the mindset on key policy issues.

Summary of Quarter Results

Through policy analysis, international best practices exposure, and informal consultations AGP-AMDe has contributed for advancing of the following policies during this quarter:

- Continue to play a part in putting together policy recommendations for a Revised New Alliance for Food Security and Nutrition Framework for Ethiopia.
- Completed transport and logistics in AGP-AMDe value chains draft report.

Key Activities

Revised New Alliance for Food Security and Nutrition Framework for Ethiopia

Following the New Alliance Progress Review in 2014, the ATA and AKLDP project were mandated by the Private Sector Development Task Force to facilitate stakeholder meetings to identify policy recommendations for the revised framework. In the quarter, AGP-AMDe worked with the ATA and AKLDP to leverage life of project efforts to be sustained in Ethiopia's policy commitments under a revised New Alliance Framework as well as contributed in rewriting policy recommendations proposed by other stakeholders.

The revised New Alliance Framework is an excellent opportunity to ensure that the policy issues the project has been working continue beyond life of AGP-AMDe. Furthermore, inclusion of some of the policy agenda in a revised New Alliance Framework gives AGP-AMDe a stronger basis to advance ongoing

policy work. AGP-AMDe supports the proposed policy recommendations for a revised New Alliance Cooperation Framework:

Land Tenure

- Ensure the coherence of all Ethiopia land policies through the adoption of the FAO's Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forest in the Context of National Food Security.
- Implement the Rural Land Administration Proclamation (No. 456/2005) and derivative regional laws, accelerate second-level highland landholding certification and introduce pastoral areas communal land certification to halt land holding fragmentation and promote consolidation, scale-up proven land use and watershed-based approaches, ensure sustainable land management and protect Ethiopia's rangelands for future generations.

Seed Systems

- Implement the Proclamation on Seed (No. 782/2013) and accelerate the enactment of the draft Seed Regulations to establish seed sector that respects and benefits smallholder farmers.
- Review and change the draft Seed Regulation to safe-guard smallholder farmers' rights to produce and share seed; and enable farmer associations, cooperatives, public and private seed enterprises to produce and market seeds through multiple channels.
- Strengthen regulatory structures both at federal and regional level to enforce the new Seed Proclamation and derivative regulation, directives, and guidelines.

Livestock

- Implement the Rawhides and Skins Marketing Proclamation (No. 814/2013) and accelerate the enactment of implementing regulations and directives.
- Strengthen the Ethiopia Agriculture Investment Land Administration Agency to identify and avail land for livestock-marketing infrastructure for domestic and export markets.

Agriculture sector finance

- Revise regulatory framework to enable digital financial service providers to offer financial services to unbanked and remote rural populations.
- Establish a new micro-insurance regulatory framework for scale-up appropriate and tested weather insurance schemes to reduce smallholder farmer risk.
- Strengthen rural finance institutions to provide innovative and appropriate services.

Private Sector Investment

- Strengthen capacity at federal and regional levels to deal effectively with agriculture sector investors, specifically those that all are familiar with procedures.
- Develop a transparent and inclusive—SHFs, PCs, FCUs, government and private sector—contract farming/out-grower policy that provides clear rules and regulations.
- Strengthen the Ethiopian Public Private Consultative Forum to organize at least one forum each year on agriculture sector marketing and trade related issues.
- Modernize business licensing procedures including online systems.

Trade Policy: Imports/Exports

- Strengthen the separation of the ECX warehousing and grading system from ECX trading systems to improve efficiency of ECX warehouse operations.
- Streamline policy processes under which cereal export restrictions are introduced and revoked to ensure increased levels of transparency and predictability.
- Strengthen the Ministry of Trade to put in place the necessary organizational structure and staff to regulate a third-party warehousing and receipt system including inspection, certification and grading.
- Strengthen the ECX's traceability capacity.

Agriculture Sector Taxation

- Review and enact agriculture sector taxation – including the livestock sub-sector – that encourage valued addition as well as enable Ethiopian smallholder and commercial farmers to be competitive in regional and international markets.
- Reinforce the working relationship among Ministry of Agriculture and Natural Resources, Ministry of Livestock and Fisheries Development, Ministry of Industry, and Ethiopian Customs and Revenue Authority to effectively address agriculture sector taxation.

Improved Food Security and Nutrition

- Review all agriculture sector policies, strategies, regulations and programs to include nutrition-sensitive agriculture and appropriate dietary diversity targets and outcomes.
- Enact minimum food fortification standards.
- Establish an Agriculture-Nutrition Steering Committee within the MoA and Natural Resources and Ministry of Livestock and Fisheries Development to champion nutrition-sensitive agriculture
- Reorganize the National Nutrition Coordination Committee under the purview of the Prime Minister's office to consolidate and accelerate improved nutrition outcomes.

The above policy recommendations would be presented to the MoA through ATA. Once approved by the MoA, they would be Government of Ethiopia policy commitments under a revised New Alliance Framework for Ethiopia.

Transport and Logistics in AGP-AMDe Value Chains

The conclusions and recommendations of the *Transport and Logistics in AGP-AMDe Value Chains* report will be vetted by stakeholders in the next quarter. The final report with recommendations will be handed over to the National Logistics Steering Committee/Maritime Affairs Authority as part of AGP-AMDe sustainability plan.

Component IV: Grants to Stimulate Innovation and Investment

Overview

The Innovation Fund is a key resource available to facilitate investments in a broad range of competitiveness-enhancing activities mainly focusing on innovative approaches and technologies. The project identifies leverage entry points in each value chain, by collaborating with strategic partners for innovative grant interventions. The innovation fund places emphasis on initiating and delivery of foundation grants as smart matching funds to establish a strong base for investments and sustainability.

The innovative activities funded by AGP-AMDe grants will lead to expansion of service networks and increased value addition to create demand pull and improved service delivery for farmers. This will result in access to new resources, information and markets and subsequently leads to adoption of new technologies and increased income opportunities for small holder farmers. It will also lead to changes in processes and mindsets of project partners with built in capabilities for sustainability of the initiatives beyond funding periods.

Summary of Top Results

Grants Awarded: 14 new grants and contracts worth \$402,823 were awarded during the quarter. To-date, of the total \$14.2M AGP-AMDe Innovation Fund, AMDe has awarded 357 grants and construction contracts worth a total of \$14,148,064, of which \$9,721,032 (69%) has been disbursed. Grants in the amount of \$27,778 are in the process of approval. The total AGP-AMDe Innovation grant awarded to-date will attract approximately \$18,921,658 matching contribution by grantees and third party partners.

Innovation Grants Awarded By Region, USD

Region	# of Grants Awarded To-date	Grant Amount Awarded, To-date (USD)	# of Grants Awarded, This Qtr.	Grant Amount Awarded, This Qtr. (USD)
Oromia	123	5,480,455	5	190,674
Amhara	89	3,205,736	3	29,759
SNNPR	76	2,777,896	4	167,811
Tigray	53	2,203,582	1	4,860
Addis	16	480,395	1	9,719
Total	357	\$14,148,064	14	\$402,823

Innovation Grants Awarded By Value Chain, USD

Value Chain	# of Grants Awarded To-date	Grant Amount Awarded, To-date (USD)	# of Grants Awarded, This Qtr.	Grant Amount Awarded, This Qtr. (USD)
Sesame	46	3,291,610	1	6,000
Coffee	52	2,789,656	2	112,453
Chickpea	37	1,290,581	2	75,793
Maize	74	2,226,845	0	0
Wheat	84	1,469,856	2	131,436
Honey	44	920,822	1	16,260

Finance	5	363,140	2	40,228
Inputs (Fertilizer Blending)	11	1,774,901	0	0
Other	4	20,653	4	20,653
Total	345	\$14,148,064	14	\$402,823

Key Activities

Seven warehouse contracts approved and under implementation

During the quarter, seven large warehouse construction projects were approved and under implementation. The beneficiary unions provide substantial investment towards the construction of the warehouses: typically the unions pay 50% of the costs, while AGP-AMDe finances the remaining 50%.

Five of the above large warehouse for Admas, Damot, Gozamen, Oyessa Dawro and Edget FCUs, in aggregate will increase the partners' storage capacity by 18,600 MT. This partnership investment addresses critical storage challenges and substantially enhances marketing capacity of the beneficiaries. These unions were selected based on their potential for significant impact by utilizing market opportunities through partnership with institutional buyers mainly the WFP P4P program. Admas, Damot, Gozamen and Oyessa Dawro FCUs all have established long-term contracts with WFP for supply of maize.

Summary of approved warehouse activities under implementation during the quarter:

Union	Description	Warehouse Capacity	Total Budget Amount (USD)	AMDe-Financing (USD)	Partner Contribution (USD)
Admas FCU	Warehouse, office & fence	5,000 MT	488,108	244,054	244,054
Damot FCU	Warehouse, office & fence	5,000 MT	488,112	244,056	244,056
Gozamen FCU	Warehouse & fence	5,000 MT	453,707	194,346	259,361
Oyessa Dawro FCU	Warehouse	2,500 MT	262,026	146,926	115,100
Edget FCU	Warehouse	1,100 MT	191,716	144,065	47,651
Edget Female Farmers Yebaltina Wutetoch Primary Cooperative	Grain & spice millhouse	200 MT	48,396	43,396	5,000
Leye Women's Agro processing Primary Cooperative	Grain & spice millhouse	200 MT	48,396	43,396	5,000
Total			1,980,461	1,060,239	920,222

IBM enterprise-grade digital traceability solution implementation for the ECX underway

In order to improve ECX's inventory as well as commodity track and trace capability, the exchange requires a system that ensures the tracking and traceability of commodities, starting with coffee, from origin to the coffee processing (milling), sampling, grading/cupping, deposit, delivery, further milling by buyer/local exporter, and export to international buyer/roasters. This system will also be used to perform stock management functions to optimize the ECX's operations by implementing a digitized system to minimize human interaction, enabling access to follow the commodity flow, and strengthening product

identities along the market chain. The ECX will make sure that its staff will be available and properly trained to implement and support the implementation and sustainment of this newly procured system.

During the quarter, AGP-AMDe, in partnership with the Sustainable Coffee Program/IDH (SCP/IDH) and the ECX, continued implementation of the Enterprise Asset Track and Trace System (eATTS) for the ECX. Delivery, installation and configuration of the IBM traceability software and required hardware and servers worth \$1,095,035; was undertaken during the quarter. In addition procurement of scanners, coffee bag tags and other traceability-related equipment and materials was also underway during the quarter. This initiative demonstrates unique public-private-partnership involving AGP-AMDe contributing \$1.8 million, and international coffee buyers, through the SCP/IDH, contributing over \$1.3 million and ECX paying over \$1.4 million towards the traceability initiative. The procurement involves acquiring an enterprise grade product from IBM offering blue chip credibility to the traceability project and for the ECX and Ethiopia to provide international standard solutions.

Sesame Innovation Grants

To-date AGP-AMDe has issued 46 grants worth \$3,291,610, including 1 new grant issued during this quarter worth \$6,000; to support innovative interventions in the sesame value chain.

Summary of innovation grant and partner investment to-date under the sesame value chain:

- ❖ 4 large sesame warehouses (5000 MT-capacity) completed in Year III and are in operation
- ❖ Five 5-7 MT/Hr capacity sesame processing plants procured, installed and ready for the 2015/2016 harvest season.
- ❖ 2 International conferences conducted.

Chickpea Innovation Grants

To-date AGP-AMDe has issued 37 grants worth \$1,290,581, including 2 new grants issued during this quarter worth \$75,793; to support innovative interventions in the chickpea value chain.

Summary of major innovation grant and partner investment to-date under the chickpea value chain.

- ❖ One large warehouse—5,000 MT capacity—completed for Becho Woliso FCU at Tulu Bolo, Oromia.
- ❖ 277.7 MT improved chickpea basic seed distributed.
- ❖ 3 tractors and agricultural implements procurement and delivery underway—two delivered and one in process.
- ❖ One agro-processing plant—Guts Agro Industry—fully implemented in the Year II.
- ❖ One seed cleaning and packing machine delivered at the site for installation
- ❖ One large chickpea processing and packing plant including color sorter (AgroProm International PLC) delivered, installed and ready for upcoming harvest season.
- ❖ 2 small-scale chickpea processing mills (for two women farmer coops)—equipment delivered during and procurement for installation of prefab store underway.

Coffee Innovation Grants

To-date AGP-AMDe has issued 52 grants worth \$2,789,656, including 2 new grants issued during the quarter worth \$491,814; to support innovative interventions in the coffee value chain. These innovation grants catalyze partner investment that improve coffee processing capacity by establishing 12 coffee washing stations and one hulling station (both equipped with modern coffee washing and hulling equipment); and 45 coffee pulpers and drying beds.

Summary of innovation grant and partner investments to-date under the coffee value chain:

- ❖ 12 coffee washing stations equipped with modern coffee processing equipment—procurement underway.
- ❖ One coffee hulling station with modern equipment completed
- ❖ 45 coffee pulping machines and drying beds—completed.
- ❖ 4 ECX labs (Addis, Jimma, Hawassa and Dilla labs) furnished with modern laboratory equipment for certification by SCAA.
- ❖ One C.A.F.E. Certification for Oromia Coffee Union completed
- ❖ Fair Trade Certification for Damota Wolayta Union completed.
- ❖ 5,000,000 improved variety coffee seedlings distributed
- ❖ One ECX-cooperatives annual conference facilitated
- ❖ Two international coffee conferences conducted

Honey Innovation Grants

To-date AGP-AMDe has issued 44 grants worth \$920,822, including 1 new contract worth \$16,260 issued during the quarter; to support innovative interventions in the honey value chain. These innovation honey grants introduce new technologies and equipment to improve honey processing quality and enhance honey export.

Summary of innovation grant and partner investment to-date under the honey value chain.

- ❖ One modern honey processing plant completed and commissioned.
- ❖ 4 sets of modern honey equipment—grant activity underway.
- ❖ 4 modern beekeeping demonstration sites and technology centers—grant activity ongoing.
- ❖ 2 honey trade shows—completed.
- ❖ 2 EU accreditations and certifications—completed.
- ❖ 500 modern beehives with accessories distributed to women beekeepers.
- ❖ An additional 1,000 beehives procurement is underway.
- ❖ 3 farmers' research groups provide training—grants implementation underway.
- ❖ 1 honey storage and processing center rehabilitation underway.

Wheat Innovation Grants

To-date AGP-AMDe has issued 84 grants worth \$1,469,856, including 2 new grants during the quarter worth \$131,436; to support innovative interventions in the wheat value chain. The innovation wheat grants

attracted investments from partners to improve wheat productivity, introduce good harvesting practices and enhance seed processing capacities.

Summary of innovation grant and partner investment to-date under the wheat value chain.

- ❖ 5 tractors and agricultural implements—procurement underway.
- ❖ 2 seed processing and packing machines—delivered.
- ❖ 57 wheat threshers—delivered and in use.
- ❖ One 1,100 MT capacity seed warehouse—construction underway.
- ❖ 120 MT basic seeds distributed.

Maize Innovation Grants

To-date AGP-AMDe has issued 74 grants worth \$2,226,845; to support innovative interventions in the maize value chain. Major maize value chain financing are designed to address storage constraints across the value chains to meet market requirements. These grants enable partners to meet volume and quality requirements by the WFP-P4P program and other institutional buyers.

Summary of innovation grant and partner investment to-date under the maize value chain.

- ❖ 7 maize washhouses (six 5,000 MT capacity warehouses and one 2,500 MT capacity warehouse)—Three warehouses completed during year IV (Gibe Didesa, Becho Woliso and Sidama Elto FCUs). Four additional warehouses are under implementation during the quarter.
- ❖ 5 seed cleaning and packing machines—one delivered at the site and four under procurement.
- ❖ One large flour mill plant—procurement completed and equipment delivered for installation.
- ❖ One tractor and agricultural implements—procurement underway.

Access to Finance Innovation Grants

To-date AGP-AMDe has issued 5 grants worth \$363,140, including 2 new grants worth \$40,228 issued during the quarter, to support innovative interventions to improve access to finance across the six value chains. Innovation grants designed to improve access to finance introduce new technologies and mobile banking practices and increase rural saving & credit mobilization. 24 SACCOs also get capacity building support through partnership with Cooperative Bank of Oromia.

Summary of innovation grant and partner investment to-date to improve access to finance.

- ❖ 24 SACCO rural finance support and capacity building—this grant activity underway during the quarter.
- ❖ 2 branch office in rural AGP-AMDe Woredas—completed
- ❖ One SACCO capacity building support to graduate it to rural bank (Embaba Haya) complete.

Access to Inputs Innovation Grants (Fertilizer Blending)

To-date, 11 grants worth \$1,774,901 were issued to support input supply market improvement and enhance localized blending of fertilizers that will result in immediate national production advantages across multiple value chains.

Summary of innovation grant and partner investment to-date to introduce blended fertilizer technologies:

- ❖ One 50MT/Hr capacity blended fertilizer factory established year III
- ❖ One warehouse to house the blended factory completed in year III
- ❖ 5 blended fertilizer management contract to introduce new technology in blended fertilizer manufacturing and marketing.
- ❖ 5,000,000 smallholder farmers to benefit annually from introduction of blended fertilizer

Grading and Post-Harvest Handling Equipment and Tools

To improve farmers cooperative's capacity to meet contract delivery requirements of the WFP-P4P program, 15 grants provided new technologies and better post harvesting practices through provision of 15 set of post-harvest handling equipment to participating unions. Moreover, 39 innovation grants also provided unique and new grading and quality testing equipment for 39 unions to enable them to improve their harvesting practices, and meet market quality standards. Both the 15 set of post-harvest handling and 39 sets of grading and quality testing equipment were distributed to 54 beneficiaries during year IV.

Summary of innovation grant and partner investment to introduce quality grading and harvesting equipment and tools:

- ❖ 15 sets of post-harvest handling equipment and tools to support unions to meet maize quality requirements by WFP-P4P program. The following equipment were provided to 15 unions:
 - 31 fumigation sheets; 24 knapsack sprayer; 24 portable sack stitching machines; 16 grain cleaner; and 16 maize shellers.
- ❖ 39 sets of quality testing and grading equipment and tools distributed to 39 unions
 - 162 moister testers; 162 riffle sample splitter, 178 bag trier (sample drawer), 162 top load balance (compact scales), 178 sieves & bottom pans

Grants to support Sale More for More Training

The SMFM training uses Training of Trainers (ToT) approach to train a large number of farmers through cascading program. The ToT program directly trains the lead farmers and the lead farmers, in turn, train a wider base of farmers at the farm gate level. A cascade approach is the strategy identified to address this huge training need identified in AGP-AMDe PMP, and FCUs and cooperatives facilitate cascading of the SMFM agricultural training to their cooperative members.

A total of 58 SMFM grants in 2013 were successfully completed. . An additional 38 grants were also issued and implemented for the SMFM training 2014.

Cross Cutting Activities

Women in Agribusiness Leadership Network

Overview

Women in Ethiopia make up more than 45% of the agricultural labor force, yet represent less than 20% of members of agricultural cooperatives and have less access to productive resources and opportunities than men. AGP-AMDe continues to view these gender gaps as essential to close in order to achieve greater gender equality as well as increased productivity and food security.

AGP-AMDe's vision for gender mainstreaming is that women, girls, men and boys equitably participate in, contribute to and benefit from overall organizational policies, program management and day-to-day operational practices with adequate recognitions and valuing of their contributions, and fair distribution of the benefits. To achieve this vision the AGP-AMDe is mainstreaming gender equity across all program components, in addition to ensuring that a targeted approach is employed, designating specific activities and resources towards increasing the visibility and empowerment of women. The second round of the Women in Agribusiness Leadership program has been launched to empower women in agribusiness sector.

Summary of Quarter Results

- Launched the second round of Women in Agribusiness Leadership Network for 205 new participants in Addis Ababa, Oromia, SNNPR, Tigray and Amhara.
- Commenced the WALN II Business Leadership trainings in Addis Ababa, Oromia, SNNPR, Tigray and Amhara regions for 131 women on business plan, financial management & marketing.
- Conducted WALN training of trainers—ToT refresher course for regional & national AMDe team members.

Key Activities

WALN II



In the period, AGP-AMDe launched the second round of business and leadership training for 130 women participants from the Women in Agribusiness Leadership Network across the four regions and Addis Ababa.

The new members are high-potential women leaders in agribusiness from across the country and will receive training and coaching to build skills in business planning, management and marketing. Through a series of workshops with experts, the women business owners will develop leadership skills that enable growth and confidence. In

addition, the new members will participate in a mentorship program for even more women-led micro and small enterprises to share experience, skills and knowledge about business management.



More than 60 participants attended the launching event conducted in Addis Ababa for WALN members and Partners on September 8, 2015. High-level women leaders such as Hadia Mohammed, Chairwoman of the Ethiopian Womens' Exporter Association, were on hand.

The Oromia WALN II launch took place on August 11, 2015 in Adama. In attendance were first and second round participants as well as government and NGO partners including the Trade & Market Development, Agriculture Growth Program representatives, Bishoftu Trade and Market Development Office, Oromia SME Regional and Zonal Chamber of Commerce.

The Tigray WALN II launch took place on August 17, 2015 in Wukro for the 32 new members. Also in attendance were government representatives from regional AGP office, Commercial Bank of Ethiopia and original WALN members.

"There are approximately 22 million Ethiopian women doing everything they can to support their community, but do we see them? No, because the visible actors are nearly always men. Agriculture is considered men's work, but who is really doing all the work? The women," AGP-AMDe Chief of Party, Vanessa Adams, told the new members. "There is no limit to your vision. WALN could one day cross borders to include women in Kenya, Sudan or Uganda."

The SNNPR WALN II launch took place on August 25, 2015 in Shashemene for 33 new members. Also in attendance were the regional AGP Coordination Office, SME Development Office, Bureau of Agriculture & Marketing, Women's Affairs Bureau, Cooperative Bank of Oromia, and South Women Entrepreneurs Association.

"It is vital to see the continuation of WALN in order to link producers with traders, traders with exporters. There are members at every place in the supply chain," said Hadia Mohammed.



The Amhara WALN II launch took place on August 27, 2015 in Bahir Dar for 40 new members. Also in attendance were people from the regional SME Development, Trade & Marketing, Women's Affairs, Women Entrepreneurs Association of Bahir Dar and Gondar branches, and Commercial Bank of Ethiopia.

WALN II Training

In the period, AGP-AMDe delivered the first and second business development trainings for 30 Oromia WALN members from Adama, Modjo, Shashemene, Bale, Jimma, Nekemt and Bishoftu. AGP-AMDe delivered the first and second month trainings for 25 Tigray-based members in the period in Wukro and Axum. Training sessions covered business planning, marketing & financial record and management. AGP-AMDe also delivered first month business leadership trainings for 30 women in Amhara, 23 women in SNNPR and 23 women in Addis Ababa in the period.



WALN II participants receive training in business (left) and visit a farm at St. Mary's College in Wukro, Tigray (right)

WALN Analysis

The number of women participating in the second round of WALN increased from 100 to 130, in part due to the positive results from the first round. In its first year, 90% of WALN members successfully completed the program. The group is currently registering itself with the Ethiopian government and building a block of agribusiness leaders watching out for the interests of Ethiopian women, proving there is an urgent demand for women-specific business organizations and support. These second round participants are now being trained and gaining access to critical information, knowledge and skills on business plan development, marketing and finance.

There have been challenges, especially in Tigray, where during the training sessions, WALN members bring their small children due to lack of child care options. This affects the learning process for all members.

Nutrition

Overview

The nutrition component of AGP-AMDe project is designed to fit in to the agriculture nutrition impact pathways and emphasizes on maximizing production and consumption of variety nutritious food, ensuring the quality of foods, investing income for nutritious foods, and women empowerment. The nutrition activity is integrated in to the value chains to promote production and consumption of adequate nutritious foods among the stallholder farmers. In collaboration with agriculture offices and farmers' cooperative unions (FCUs) the project is implementing nutrition education and behavior change communication activities to reach about 57000 farmers.

Summary of Quarterly Results

- Trained 5453 (47% women) on household dietary diversity strategies
- Reached 1161 (60% women) farmers with nutrition films and simultaneously distributed 1181 nutrition brochures.
- Shared AGP-AMDe nutrition intervention successes and lessons at the 2015 Integrated Nutrition Conference, held in Nairobi, Kenya.

Key Activities

Nutrition-Sensitive Agriculture Cascade Training

In the quarter, AGP-AMDe trained 5453 (47% women) smallholder farmers through lead farmers and development agents on household dietary diversity strategies. (Table 9)

The nutrition cascade training was organized by lead farmers in collaboration with woreda agriculture offices, and focused on household dietary diversity strategies such as farm diversification, homestead production and saving for food purchase. The trainings were carried out in farmer training centers, villages, schools, and health posts.

Table 9: Farmers by region reached with nutrition cascade training in Q1 FY16.

Region	Trained Farmers		
	Male	Female	Total
Oromia	748	486	1234
SNNPR	2120	2099	4219
Total	2868	2585	5453

Farmer Nutrition Films

In the quarter, AGP-AMDe reached 1161 (702 women) farmers with nutrition films, which were shot and produced by the farmers (Table 10). AGP-AMDe collaborates with Digital Green to work with farmers and local agents and develop nutrition films that address selected nutrition practices. The films were piloted in the previous quarter and tested for effectiveness. The films focus on key household dietary

diversity strategies such as home gardening, production and consumption of meat, complementary feeding, pregnancy feeding, and hygiene and sanitation practices.

Participants were selected from at the kebele level by development agents. The shooting and editing of the films was facilitated by previously trained health extension workers, development agents, and primary cooperatives managers, who were supervised by contractors.

In addition, AGP-AMDe distributed 1181 nutrition brochures to the film audiences. The brochures provide more messaging about household dietary diversity strategies and activities in the local language.

Table 10: Participants reached with nutrition film activity by woreda.

Woreda	Male	Female	Total
Dangla	24	156	180
S/Achefer	200	131	331
M/Azernet	148	211	359
Wondogenet	87	204	291
Total	459	702	1161

Nutrition Knowledge Attitude and Practice Survey

In the quarter, AGP-AMDe carried out a survey known as the Nutrition Knowledge Attitude and Practice survey. The objective is to assess the level of nutrition knowledge and practice among the smallholder farmers involved in program activities. The results are used to evaluate the effectiveness of the nutrition training and behavior change communication interventions and generate lessons learned for future nutrition sensitive agriculture and dietary diversity interventions.

The survey measures the following nutrition parameters:

- Knowledge of the function of different food groups
- Knowledge and practice of household dietary diversity strategies
- Knowledge and practice of hygiene and sanitation



Conducting the survey with a farmer

The data collection was collected in August 2015. A total of 400 respondent farmers were selected randomly from 17 woredas from the four regions where nutrition trainings were implemented. Five Woredas were randomly selected from each region (Amhara, Oromia, SNNPR) and two Woredas from Tigray region. The pool of respondents were selected based on 200 farmers who attended the AGP-AMDe nutrition training, and a control group of 200 farmers who did not attend AGP-AMDe nutrition training.

The survey results indicate that the training has significantly influenced the nutrition knowledge and

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practice of farmers. Knowledge of food groups, household dietary practices, and hygiene and sanitation practices of the trained farmers are improved.

- New crop cultivation: those who received training are 23% more likely to cultivate a new crop.
- Intercropping practices: those who received training are 25% more likely to intercrop.
- Handwashing practices: those who participated in training are 23% more likely to wash their hands after using the toilet.
- Nutrition knowledge: those who attended training are 24% more likely to know about types of food that provide energy, 33% are more likely to know about types of food that are important for growth maintenance, and 34% are more likely to know about foods that assist with protection from disease, than those who did not attend training.
- Consumption of mix of cereals and pulses: the trained farmers are 24% more likely to consume mix of cereals and legumes than the non-trained ones.
- Consumption of meat/egg: those who attended the trainings are 15% more likely to consume meat/egg at least once a day.
- Consumption of dark green vegetables: the trained farmers are 13% more likely to consume dark green vegetables at least once a day.
- Consumption of fruits: the trained farmers are 19% more likely to consume fruits at least once a day.

2015 Integrated Nutrition Conference



AGP-AMDe presented its *Nutrition Sensitive Agriculture Value Chain: A Foundation for Optimal Nutrition and Productivity* poster at the Integrated Nutrition Conference 2015, held in Nairobi, Kenya in September. The presentation shared the program's nutrition implementation approach, success and lessons learned.

Catholic Relief Service organized the conference to bring knowledge, evidence and experience on implementing integrated nutrition-sensitive programming; identify best practices and gaps in integrated nutrition-sensitive programs; and facilitate networking among global stakeholders. Twenty-one posters were presented in the conference with different nutrition integration topics.

AGP-AMDe's poster shows the audience the implementation approach, the achievements, lessons and success of AGP-AMDe nutrition activities. The poster touches on the design of the nutrition cascade training, the evaluation of the training, and behavior change communication approaches used.

During the presentation, nutrition training and behavior change communication materials were displayed for participants. Samples of the facilitators and technical guides were distributed, and many participants

requested for the manuals, and were referred to the website. The poster presenter distributed over 100 nutrition one-pagers.

Nutrition Analysis

The acceptance of the nutrition abstract at the 2015 Integrated Nutrition Conference was a great opportunity to share the program's nutrition implementation strategy and success with the world. There was strong collaboration among primary cooperatives and agriculture offices to conduct the nutrition video dissemination. There is a lack of quality vegetable and fruit seeds for farmers interested in improving their home gardens.

Nutrition Partners and Interventions July to September 2015

Partners	Location (Woreda, Region)	Interventions during the quarter	Explain observed major results
Woreda Agriculture offices	Amhara and SNNR four Woredas Agriculture offices	- Nutrition Cascade Training	Cascading training documents have been collected and documents
Primary Cooperatives	Primary cooperatives in the four intervention Woredas	Nutrition video dissemination	-Video dissemination conducted successfully

Nutrition Activity Tracker (Gantt Chart) July to September 2015

Activity No.	Activity Description	Indicator and Unit	LOP Target	Y5 Target	Q1, July – Sep.2015		Cumulative up to this quarter			Reason for Variance	
					Target	Achieved	Target	Achieved			
						No.		%	No.		%
I	Cost of Diet Assessment										
I.1.	Conduct cost of diet assessment in the regions to determine seasonal food availability and affordability	# of assessments Conducted	4	0	0	0	0	4	4	100	
II	Build the Capacity of Agriculture workers and farmers										
2.1	Duplicate/Translate into local languages and distribute technical modules for trainers	# of manuals duplicated/translated	120	0	0	0	0	120	120	100	
2.2	Re-print and distribute nutrition POSTERS for farmer training	# of posters reprinted	650	0		0	0	650	650	100	
2.3	Conduct nutrition basics training for Union staff	# TOT trained	165	0		0	0	165	63	38	Schedule for Oromia and SNNPR canceled
2.4	Conduct HEAs refresher meeting	No. of participants	92	0	0	0	0	92	83	90	
2.5	Conduct TOT for DAs/lead farmers on nutrition sensitive agriculture	# TOT trained	1212	0	0	0			1212	5100	
2.6	Conduct farmers nutrition trainings coordinated with value chains	# of farmers trained	57	11,000	5,453	5,453	100	57,000	50,000	189	We will reach 6000 in quarter two
III	Develop BCC Materials										
3.1	Develop & print cookbook with recipes from each of the 6 crops	# of cookbooks developed	750	0	0	0	0				

Acti vity No.	Activity Description	Indicator and Unit	LOP Target	Y5 Tar get	Q1, July – Sep.2015			Cumulative up to this quarter			Reason for Variance
					Tar get	Achieved		Ta rg et	Achieved		
						No.	%		No.	%	
								75 0	750	100	
3.2	Conduct cooking demonstrations using cookbook at farmer field days	# of cooking demonstrations	20	0	0	0	0	0	0	0	Replaced by Video based demonstrations
3.3	Develop/show video of cooking demonstrations for farmer’s households	# of farmers reached with videos	-	1, 000	1, 161	1, 161	100	0	426 1	0	Reported before by BCC team
3.4	Develop and distribute IEC materials with nutrition messages to FCU’s	# of brochures developed	2, 000	2, 000	2, 000	2, 000	100	20 00	200 0	100	
IV	Conduct Supervision and Monitoring/Evaluation										
4.1	Conduct Supportive Supervision Visits for regions (from Head office)	# of visits conducted	12	2	1	1	100	12	11	92	
4.2	Conduct follow up/Monitoring Visits to Woreda/Kebele (from field office)	# of visits conducted	42	5	3	3	100	42	33	79	Time constraint
	Conduct Nutrition KAP survey	# of surveys	1	1	1	1	100	1	11	100	